GROUP BENCHMARKING: PROCESS, OUTCOMES AND ANALYSIS

THOMAS MICHAEL FRIEDEWALD

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Abstract

Failure to apply best practice costs the UK economy approximately £300 billion per annum (CBI 1997:4). Quality networking initiatives which help organisations 'transfer' best practices offer a potential solution to this problem. Unfortunately, little research has been done to evaluate their effectiveness or to identify the determinants of effectiveness.

To remedy this deficit in knowledge, this research used an action research method to design and implement a quality networking initiative called 'group benchmarking'. The group benchmarking process created an inter-organisation benchmarking network and common interest groups, which served as the focus of an exploratory case study concentrating on process effectiveness and the key determinants of effectiveness. Data was gathered using participant observation, interviews and review of documentation, and triangulation was achieved by comparing across these sources. Grounded theory techniques were used to analyse the case study data.

In this case, group benchmarking was not found to be a particularly effective method of finding best practice, though it was significantly more useful in helping participants learn how to benchmark. Effectiveness was found to be contingent upon the effort expended, how 'ready' organisations (and individuals) were to benchmark, the structure/nature of the process, the extent of facilitation and the quality of the common interest group processes.

This study makes several contributions to knowledge. It illustrates that many of the same factors critical to benchmarking effectiveness in a single organisational setting (e.g. preparation, effort, structured process) are also crucial in an inter-organisational setting. It also demonstrates a new method of assessing quality networking effectiveness and identifies the critical success factors specific to benchmarking networks and common interest groups. In addition, the study proposes a contingency model of effectiveness, offers hypotheses for further research and provides guidance to policy makers and practitioners working in the field of benchmarking and quality networking.

TABLE OF CONTENTS

LIST OF TABLES

ACKNOWLEDGEMENTS

Whilst I am solely responsible and accountable for the preparation of this dissertation, and for conducting the research upon which it is based, neither activity would have been possible without the generous co-operation of the individuals and organisations which provided the empirical focus of this study. By request, they shall remain anonymous.

I would like to thank my supervisor, David Yarrow of the University of Northumbria, for his valuable and valued contributions. His comments, suggestions, and personal support over the past 5+ years have been greatly appreciated. He has made every effort to help ensure this research programme came to a successful conclusion. I hope he will be as fortunate with his other passion, Newcastle United Football Club, and his own pursuit of a Ph.D. I would also like to thank the other members of my supervisory committee, Alex Appleby and Professor Vas Prabhu, both of the University of Northumbria. Alex had the difficult task of moderating an often fractious group. On several important occasions he saved me from near disaster. Professor Prabhu, in addition to coining the term 'group benchmarking', initiated and gained the funding necessary to conduct this research programme.

I would also like to thank my wife, Deree VonderHaar, who has supported me throughout this process, and has been remarkably patient with a world-class procrastinator. She has often said how difficult it must be to do a Ph.D. In reality, it is probably harder to live with someone doing one, than doing one yourself. Finally, I would like to dedicate this work to the memory of my son, Charles, whose death gave me the final inspiration and kick in the ass to finish the dissertation. I will remember him long after I forget the words 'group benchmarking'.

STATEMENT OF ORIGINAL AUTHORSHIP

This dissertation is my original work. I am solely responsible for its preparation and for conducting the research that supports it. Therefore, I am also solely responsible for any errors it may contain.

LIST OF FIGURES

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

1.1.1 Initiatives to Encourage Best Practice Transfer

In June of 1993, the Department of Trade and Industry (DTI) launched a programme called the Benchmarking Challenge (DTI, 1995a:2). This initiative was part of a larger effort, called 'Managing in the 90s' which sought to raise the level of competitiveness of U.K. organisations in the face of increasing global competition. The programme provided assistance to trade associations to help establish benchmarking clubs and to use the technique of benchmarking to help improve the processes and services which were critical to the success of their members (DTI, 1995a). Like many similar initiatives, which both preceded and followed it, the Benchmarking Challenge, tried to encourage U.K. organisations to adopt best available management practice in key areas such as new product development, marketing, purchasing and supply chain management, scheduling and inventory control, manufacturing and operations management, distribution, quality, human resources and the like (DTI, 1992). The rationale for this approach was simple- raise UK GDP. The economic impact of organisations adopting best practice had been estimated to be in the region of £300 billion per annum (CBI 1997:4, see also Lant and Mezias, 1990).

The DTI sought to facilitate the adoption of best practice through its publications and various initiatives. Their approach had a number of complementary strands including:

- Define best practice in many of the critical areas mentioned above
- Highlight and publicise the organisations which were employing best practices to good effect
- Provide guidance on how to use benchmarking to find and implement best practice (e.g. DTI, 1992)
- Encourage best practice organisations to open their doors and allow groups of managers from other organisations to see best practice for themselves (for example, the Inside UK Enterprise initiative)

Through a variety of methods, the DTI has tried to help organisations to discover, exchange, adapt, and fully implement, (or 'transfer' as Szulanski 1993, 1993a) describes the process) best available practice in order to significantly improve the performance of its critical processes, services and products, and consequently its competitiveness. Underpinning

these efforts is the fundamental assumption that organisations can learn from each other and benchmarking and other forms of inter-organisational co-operation and teamwork can help facilitate the learning process.

The DTI has not been alone in its efforts to help organisations learn from each other. Universities, like Northumbria, trade associations, consulting firms, regional and national quality foundations, entrepreneurs and the like have also joined the battle. For example, these organisations have established regional and national quality networking initiatives, like the Best Practice Club and the Benchmarking Network described in this dissertation, and have provided training and support for benchmarking. Consortia studies and plant tours have been arranged, and common/special interest benchmarking groups have been established (Watson 1993, 1994a; Boxwell, 1994, Burcher, 1997; Gupta and Rohe, 1997). Regional, national quality, and European award schemes (e.g. European, British, Midlands Quality Awards) have been devised to honour exemplars of best practice and superior performance, and to encourage other organisations to emulate these role models. In common with the DTI initiatives, these efforts have tried to enhance business performance by facilitating the transfer of best practice between organisations. The primary vehicles for transfer are again a mixture of benchmarking, quality networking, plant tours, inter-organisational teamwork and co-operation, and perhaps a bit of 'normative isomorphic' pressure (DiMaggio and Powell, 1983; Cole, 1994).

1.1.2 Potential Opportunities and Barriers

Efforts to improve business performance through the transfer of best practice are intuitively appealing. Whether viewed from the perspective of a single organisation or a set of organisations that make up a regional or national economy, the failure to make full use of existing best practice can represent a significant opportunity cost (Szulanski, 1993a, see CBI estimate above). This is not fundamentally different from an organisation wasting their traditional resources like labour, machines, and capital, by not making fullest use of their capabilities. The cost of this missed opportunity may be represented by unexplained differences (within and between analogous organisations) in key measures of performance such as cost, quality, time, productivity, and the like (Chew et al., 1990; Szulanski, 1993, 1993a, 1995, 1996). On a national level the opportunity, cost can be measured in terms of lost GDP, as illustrated above. One of the key challenges, at both an organisational and inter-organisational level, is how to promote and encourage the transfer of best practice to

make maximum use of existing knowledge to improve competitiveness. A further issue is how to ensure that this transfer is accomplished in as cost efficient, timely, and effective a manner as possible (see Camp, 1995, Szulanski, 1996)

The extent of this challenge depends, in part, on how inherently difficult it is to transfer best practice. Far from being an 'automatic' exercise, recent evidence suggests that the process of best practice transfer can be rather 'sticky', i.e. more costly, of less benefit, and/or more time consuming than anticipated (Szulanski 1993, 1995; Chew et al, 1990, Camp, 1995). For example, in an extensive study of intra-firm best practice transfer, Szulanski (1993, 1993a, 1995, 1996) identified a number of potential sources of 'stickiness', which could adversely affect best practice transfer within an organisation. As a result, he found that, on average, it took 27 months for a firm to discover an existing best practice, and another 9 months for them to do anything with it (Szulanski, 1995; Bartosik, 1995). Szulanski based his conceptual framework for studying the internal transfer of best practice on the diffusion of innovation, organisational learning, and the resource theory literature. This body of knowledge also indicated that strong mechanisms exist which discourage the diffusion of innovations (including innovative work practices- see for example Rogers, 1983; Pennings and Harianto, 1992; Zaltman et al, 1973; Powell, 1995), prevent replication of resources (Rumelt, 1984; Barney, 1991; Powell, 1995; Black and Boal, 1994), or inhibit organisational learning (Jick et al, 1993). As a result, practices do not necessarily transfer efficiently or effectively (or in some cases at all) within and between organisations. Certainly, Henry Ford's difficulties in transferring the assembly line system from Detroit to Dagenham or General Motors' problems replicating its NUMMI success beyond Fremont, California are practical testaments to these difficulties (Womack, Jones, & Roos, 19990; Brown and Reich, 1989). Similarly, efforts by Western organisations to mimic Japanese manufacturing and quality management practices have not been universally successful (Womack, Jones, Roos 1990, Schein, 1995a, 1995c, Cole, 1994). As Oscar Wilde might have said: "The transfer of best practice is rarely pure and never simple".

1.1.3 Benchmarking: A Methodology for Transferring Best Practice

Mounting anecdotal evidence published in the practitioner-orientated literature suggests that organisations can use the technique of 'benchmarking' to find and implement (i.e. transfer) best practices which exist outside and inside the organisation (Camp, 1995, Andersen and Camp 1995, Watson, 1992, 1993; Zairi, 1992, 1994; Boxwell, 1994). The success of Xerox

Corporation, using what they called 'best practice benchmarking', to fend off intense Japanese competition in the photocopier market, has been well documented in the popular and practitioner literature (Camp, 1989, 1993, 1995; Jacobson and Hillkirk, 1986). There is also evidence that, at least among large organisations, 'benchmarking', of some shape or form, is becoming increasingly widespread (Coopers and Lybrand, 1994, 1994a; Andersen and Camp, 1995) indicating that perhaps firms perceive tangible benefits can be gained from the benchmarking process.

Watson (1993:46) described benchmarking as:

> *A positive, proactive process by which a company examines how another company performs a specific function in order to improve how it performs the same or similar function.*

It is based on the premise that 'organisations can learn from each other' (Camp, 1995:251; Watson, 1993), provided that a systematic and rigorous approach to learning is taken. The 'mechanics' of the benchmarking process, which follow the Plan-Do-Check-Act process management/problem solving cycle, proposed by Deming and Shewart (APQC, 1993) and which mimic individual and organisational learning processes[1] (Watson, 1993), can be summarised as follows (summary is based on the process models proposed by Camp 1989,1995; Watson, 1993,1995; Spendolini, 1992; A.P.Q.C., 1993; C.C.I., 1993):

- **Decide** what to benchmark- for example, a key business process, as in this study
- **Measure** to determine your organisation's current level of performance- the process' current cost, cycle time, and quality
- **Research** to discover the 'best-in-class' organisation(s) which achieve(s) the benchmark level of performance in the area of interest- consult trade associations, talk with suppliers, customers, competitors, other organisations in your industry, conduct library research, utilise consultants, databases, benchmarking networks
- **Compare** your organisation's current performance and practice with the benchmark set by the best-in class or 'role model' organisation(s)- how does the cycle time of your process compare with the cycle times of the best-in-class organisation with an analogous process?
- **Understand** the 'performance gap' between your organisation and the role model organisation(s), and the practices which enable the gap- what practices and other factors are responsible for the gap in performance between your organisation and the best-in-class?
- **Adapt** appropriate practices observed in the role model organisation to your own organisation to achieve or exceed the benchmark level of performance-can any of the better, best practices be adapted to your own organisational context?

These steps underline the importance attached by leading benchmarking authorities to the use of a rigorous and systematic methodology to find and implement best practice. The

discovery of best practices is not left to chance or random encounters, but rather it is a proactive, purposeful search, using a methodology based on well-established quality improvement processes (Camp, 1995; Watson, 1993). The methodology also suggests benchmarking has two complementary purposes (Camp, 1989, 1995; Watson, 1993; Spendolini, 1992; Hackman and Wageman, 1995):

- To determine the benchmark level of performance
- To transfer the practices which may enable achievement of the benchmark level of performance

By highlighting gaps in performance between the benchmarking organisation and more successful, role model organisations, the benchmarking process can help stimulate the need for organisational learning and improvement (Watson, 1993:46, Schein, 1995c; Pisano, 1994). As Pisano (1994:86) points out, organisational learning is a problem solving process, which is triggered by the discovery of gaps between actual and potential performance. By demonstrating what may be possible, benchmarking can trigger the organisational learning process[ii]. At the same time, by identifying the practices which have enabled superior performance in more successful organisations, and which can be transferred to the benchmarking organisation, benchmarking can provide a model for the change process (Watson, 1993:vii, Camp, 1995:249). To paraphrase a leading benchmarking authority, 'benchmarking enables an organisation to not only discover how much it needs to improve, but also what and how it can improve' (Spendolini, 1992). This highlights the need to link the benchmark with the practices underlying it. As Watson (1993:) makes clear, benchmarking is measures in search of enablers. Its full benefit comes from making sure these two aspects of benchmarking are linked (Camp, 1995; Watson, 1993; APQC, 1993; Zairi and Leonard, 1993). Activities, which emphasise one without the other, regardless of the name, are not, in Watson's view (or most of the leading authorities) actually benchmarking.

Benchmarking has roots in the ideas of Taylor and the founders of modern quality management (Watson, 1993; Cole, 1994; see also below), as well as in reverse engineering, competitive analysis, performance measurement, amongst other things (Zairi and Leonard, 1994; Bendell et al, 1993; Watson, 1993). Benchmarking represents one method, amongst several[iii] which an organisation can use to learn or generate new ideas, practices or ways of working (Jick et al, 1993; Cole, 1994; Levitt and March, 1988) which may be used to improve its business processes, the quality of its products and services, and

ultimately the performance of the organisation as a whole (Camp, 1995; Watson, 1993, Zairi and Leonard, 1994; Boxwell, 1994). Benchmarking differs from other quality management tools and process management heuristics like control charts, Pareto analysis, flow charting/process mapping, fishbone diagramming, brainstorming and the like, in an important way. It emphasises the need to look outside the organisation for ideas and better working practices, rather than relying primarily on the collective intelligence of an internal problem solving/process improvement team or individual (Camp, 1995, Watson, 1993, Spendolini, 1992; Zairi and Leonard, 1994). The definition of 'outside the organisation' can range from another department, plant or division to a competitor or a member of a similar industry, all the way to a recognised world leader in the area/work process being investigated (Camp, 1989).

- Looking outside of the organisation for superior practices can provide several important advantages over internally focused continuous improvement tools. For example:
- Benchmarking may help overcome the 'not-invented here syndrome' by persuasively demonstrating that it has been done successfully somewhere else (Camp, 1995; Watson, 1993)
- Benchmarking may encourage creativity and 'thinking out of the box' by providing improvement teams with real examples from which to learn (Spendolini, 1992)
- Benchmarking may be useful in illustrating how much is needed to achieve parity and surpass competitors and world class performers. (Camp, 1995; Hackman and Wageman, 1995)
- Benchmarking may deliver more significant performance benefits than the small incremental gains typically derived from other continuous improvement efforts (Camp, 1995, Watson, 1993, CCI, 1993).

A number of different types of benchmarking have been suggested in the benchmarking literature, including internal, competitive, functional, generic, process, global, cost, performance, customer, strategic, and operational (Watson, 1993:87). As both Camp (1995) and Watson (1993:87) note, this can contribute to a fair bit of confusion on the part of those new to the benchmarking process. A basic taxonomy or classification has been proposed by Camp (1989), which divides benchmarking into four basic types. They are:

- Internal
- Competitive
- Functional
- Generic

Internal and competitive benchmarking usually focus on comparing products/services or work processes (functional or generic work process) with internal or competitive role

models. Functional and generic benchmarking studies tend to focus on the comparison of functional or generic business processes- with comparators outside organisational and competitive boundaries, including those considered to be best-in-class. To confuse matters somewhat, some of the benchmarking types appearing in the popular press and the like, don't follow the methodology outline above, nor are they, as Watson (1993) puts it, 'measures in search of enablers'. In many cases, they are simply measures or benchmarks, performance comparisons, or 'industrial tourism', which may help to motivate efforts to improve processes and practices. The leading benchmarking authorities seem to agree, benchmarking is a rigorous systematic process designed to discover both benchmarks and the practices, which underlie them.

More important than the name or label given to a particular type of benchmarking, is the direction in which the practice seems to be developing. More sophisticated and experienced benchmarkers are increasingly focusing their attention away from products and services and towards their key business processes (i.e. functional and generic) (Camp, 1995; Watson, 1993; Zairi and Leonard, 1994; Boxwell, 1994). This shift reflects, in part, the increasing emphasis in managerial circles on business processes and their link to customer satisfaction, quality, and organisational performance (see for example Hammer and Champy, 1993; Harrington, 1990; Stalk and Hout, 1990). More advanced benchmarkers are comparing their key business processes with role models outside of the organisation and industry, including best-in-class (regardless of location) organisations, and with 'strategic' benchmarking partners (Camp, 1995; Watson, 1993). Not unlike the strategic relationship many organisations have established with key suppliers and customers, some organisations are beginning to develop strategic benchmarking partnerships and networks of potential benchmarking partners (Watson, 1993; Watson, 1994a; Camp, 1995, Spendolini, 1993). The titles of Camp and Watson's most recent offerings, Business Process Benchmarking (Camp, 1995) and Strategic Benchmarking (1993) reflect this changing emphasis.

Similarly, Camp's call for a process taxonomy or S.I.C.[iv] code of business processes, a standard definition of benchmarking, a common benchmarking methodology, and the creation of benchmarking networks, common interest groups, and consortia, may be viewed as both a response to the direction in which benchmarking seems to be developing, and as a means of facilitating this development. Camp (1995) recognises the need for timely and relevant information and the need to speed up the benchmarking process without

compromising its rigour. Co-operating with like minded organisations that share a similar understanding of, and approach to, benchmarking and their key business processes may help reduce some of the 'process losses' of benchmarking and shorten its cycle time, and thereby increase the relevance and value of the information it can provide.

Whilst benchmarking has grown in popularity in recent years (Camp, 1995; Andersen and Camp, 1995; Coopers and Lybrand, 1994, 1994a) neither the type of benchmarking undertaken by organisations, nor the results achieved, are particularly clear. As Coopers and Lybrand (1994) noted, there is considerable confusion amongst practitioners about what actually constitutes benchmarking. Likewise, some sources indicate that as few as 5% of benchmarking projects actually result in the transfer of best practice (CCI, 1993).[v] The benchmarking literature has identified several of the biggest culprits as a lack of internal understanding and preparation, lack of management commitment, and failure to use a structured benchmarking process (APQC, 1993; CCI, 1993).[vi] Organisations also experience difficulties finding co-operative external (and internal) benchmarking partners (Szulanski, 1993, 1995, 1996; Camp, 1995, Coopers and Lybrand, 1994). Other observers have noted that what passes for benchmarking in many organisations is really 'industrial tourism' (CCI, 1993, Garvin, 1993:86, Watson, 1992; Zairi and Leonard, 1994), defined by Garvin (p.86) as a series of ad hoc visits to companies that have received favourable publicity or won quality awards. In most cases, it provides little real benefit to participating organisations. Watson (1993) described most benchmarking efforts (90%) as a victory of aspiration over perspiration. As Carla O'Dell from the APQC, a leading promoter of benchmarking in the US remarked:

> *On any given day, hundreds of groups of mangers are walking through someone else's plant or office asking questions as they occur to them, expressing delight and appreciation at what they see, and going home. Interesting? Yes. Entertaining? Almost always. Productive? Only if you are lucky.*

Whilst there has been a significant amount of interest from practitioners in benchmarking, and a number of examples of benchmarking 'good practice' amongst large, quality mature[vii] organisations, there is significantly less evidence that most organisations' benchmarking efforts are particularly effective. That is, they result in the transfer of 'best' practices, in a cost effective and timely manner. Szulanski (1996) concluded that one of the biggest impediments to the transfer of best practice was lack of skill, rather than lack of desire. Organisations simply did not know how to transfer best practices.

Likewise, there is limited empirical evidence, that efforts like those of the DTI described above, or the various other public and private initiatives are particularly effective methods of transferring best practice. For example, the DTI has apparently made little systematic effort to evaluate the effectiveness of initiatives like the Benchmarking Challenge; or to identify what factors determine its effectiveness. Similarly, the organisers and sponsors of common interest benchmarking groups, benchmarking networks, or other quality networking initiatives have made little effort to systematically evaluate the effectiveness of their efforts or to understand what factors can influence effectiveness. Consequently, it is unclear the extent to which, and the conditions under which, these efforts might assist participating organisations to find and implement best practices. One could ask whether organisations might be better off 'going it 'alone', without the help of agencies like the DTI, or the Business School at the University of Northumbria to organise networks and create inter-organisational benchmarking teams. Instead of providing 'synergistic process gains' (Hackman, 1987), delivering economies of scale, or promoting co-operation, which might enhance the transfer of best practice, they may simply create an additional set of impediments to the spread of best practice which didn't previously exist. All would seem reasonable questions to ask, whether you were an organiser of, a participant in, or funding body for, one of these initiatives designed to promote the transfer of best practice.

1.2 Framework for the Research

1.2.1 Purpose

This research programme had three complementary objectives:

- To initiate the technique of business process benchmarking within a small network of companies in the Northeast of England.
- To provide an opportunity for participants, including the researcher, to learn experientially about business process benchmarking, best practice transfer and related areas.
- To make a contribution to propositional knowledge in the area of benchmarking and quality networking.

The nature of these objectives reflects a fundamental assumption that research can, and should, try to produce both positive action and traditional research outcomes. This assumption is consistent with the 'action research paradigm' which can be traced to the work of Kurt Lewin (1948), who argued that the best way to truly understand something was to try to change it. Action research often begins with a practical or 'local' problem in demand

of a solution (Dick, 1993, 1997a, 1997f; Abraham, 1997; Perry and Zuber-Skerrit, 1992; Karlsen, 1991). It then seeks to combine action and research in multiple, inter-linked cycles of planning, acting, observing and reflecting (Kemmis and McTaggart, 1988; Carr and Kemmis, 1986; Perry and Zuber-Skerrit, 1992; Abraham, 1997) to address the local problem, build local understanding and to use this experience to contribute to propositional knowledge in the larger field of study (Abraham, 1997; Bunning, 1995; 1995a; Perry, 1998; Hult & Lennung, 1980). The action research cycle bears a strong resemblance to the P-D-C-A continuous improvement cycle advocated by Deming and Shewhart as well as Kolb's experiential learning cycle (Abraham, 1997:viii). Figure 1.1 illustrates the action research method used in this study. Like the Deming/Shewhart's P.D.C.A. cycle, the action research cycle enables a group to develop a plan, implement it, observe the results, evaluate the outcome, and to modify it as appropriate (Abraham, 1997:27).

In this study, an action research method was used to design and implement an 'intervention strategy' referred to by the researcher as the 'group benchmarking process'. For the purposes of this dissertation, the author defines group benchmarking as:

> *The application of business process benchmarking by small inter-organisational teams within the context of a formal inter-organisation network*[viii]

Figure 1.2 provides an overview of the research process and highlights the relationship between the 'intervention' and this dissertation. The intervention, in its first full iteration/cycle, established an inter-organisational benchmarking network and created several small inter-organisational benchmarking teams (see Figure 1.2). As described in early promotional material, the purpose of the intervention was:

> *To create a permanent, regional network of quality-driven organisations, dedicated to the discovery, exchange, dissemination, and implementation of best practice*

The Network was planned to operate in 'perpetuity' after the formal research programme concluded.

An underlying assumption of this research was that benchmarking by small inter-organisation teams in the context of a larger inter-organisation network might prove to be an effective method of finding best practices. The network and structured common interest group approach to benchmarking was designed to provide participants with 'psychological support', to create synergistic process gains, to produce economies of scale, and to develop

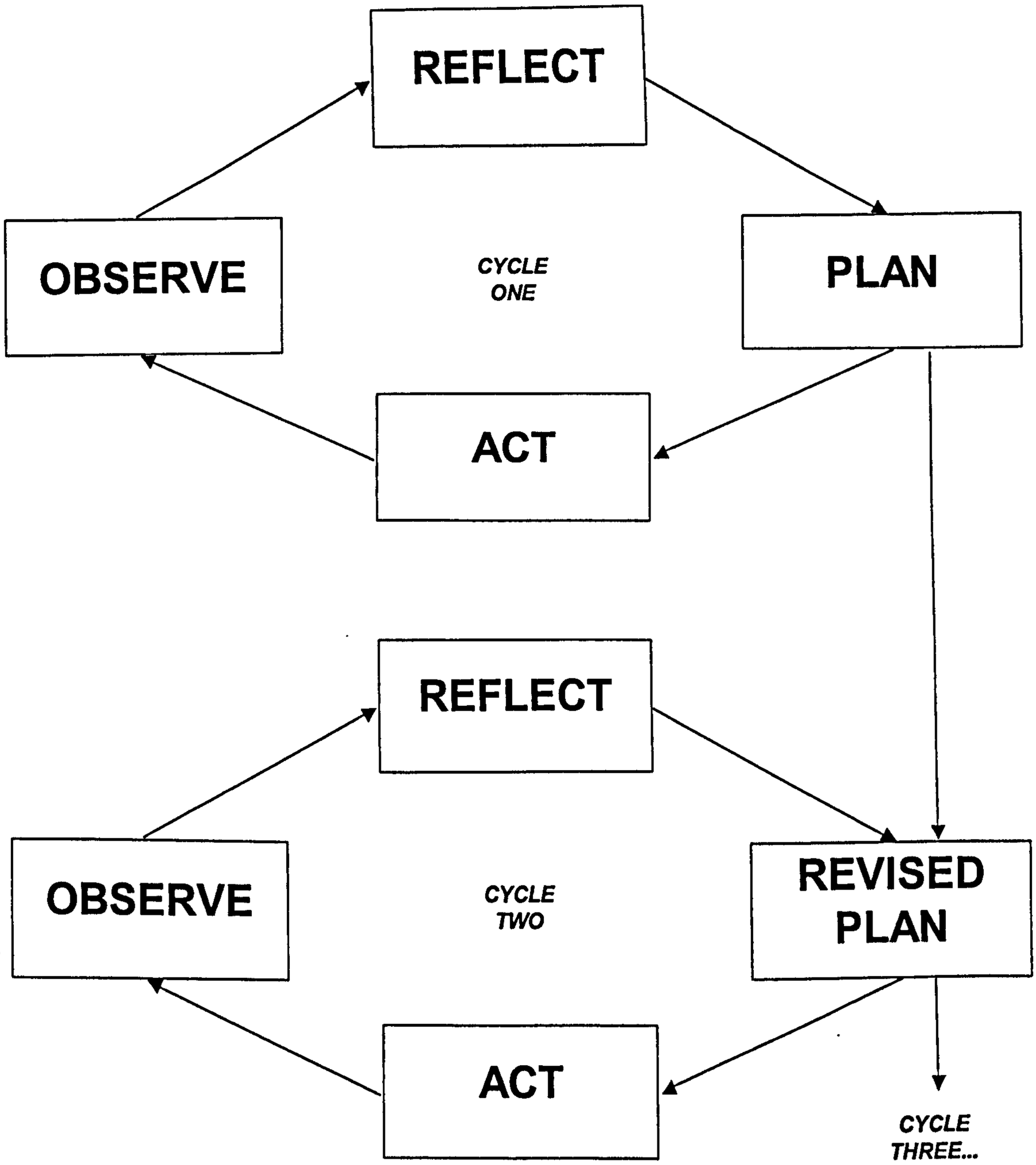

Figure 1.1: The Action Research Method (Based on Perry and Zuber-Skerrit, 1992:204)

trust between organisations which would encourage co-operation. This could enable a group of organisations with little previous experience of the technique to begin business process benchmarking and to find (and later implement) best practice.

As the process unfolded (beyond the research programme described in this document), subsequent iterations of the group benchmarking process were meant to create what could be called a 'virtuous circle'. That is, as the group benchmarking process was repeated, and members worked together on a series of benchmarking projects, a common benchmarking language, shared norms and values, and a sense of mutual respect, would begin to develop. This would enable higher levels of trust to develop between Network members. In

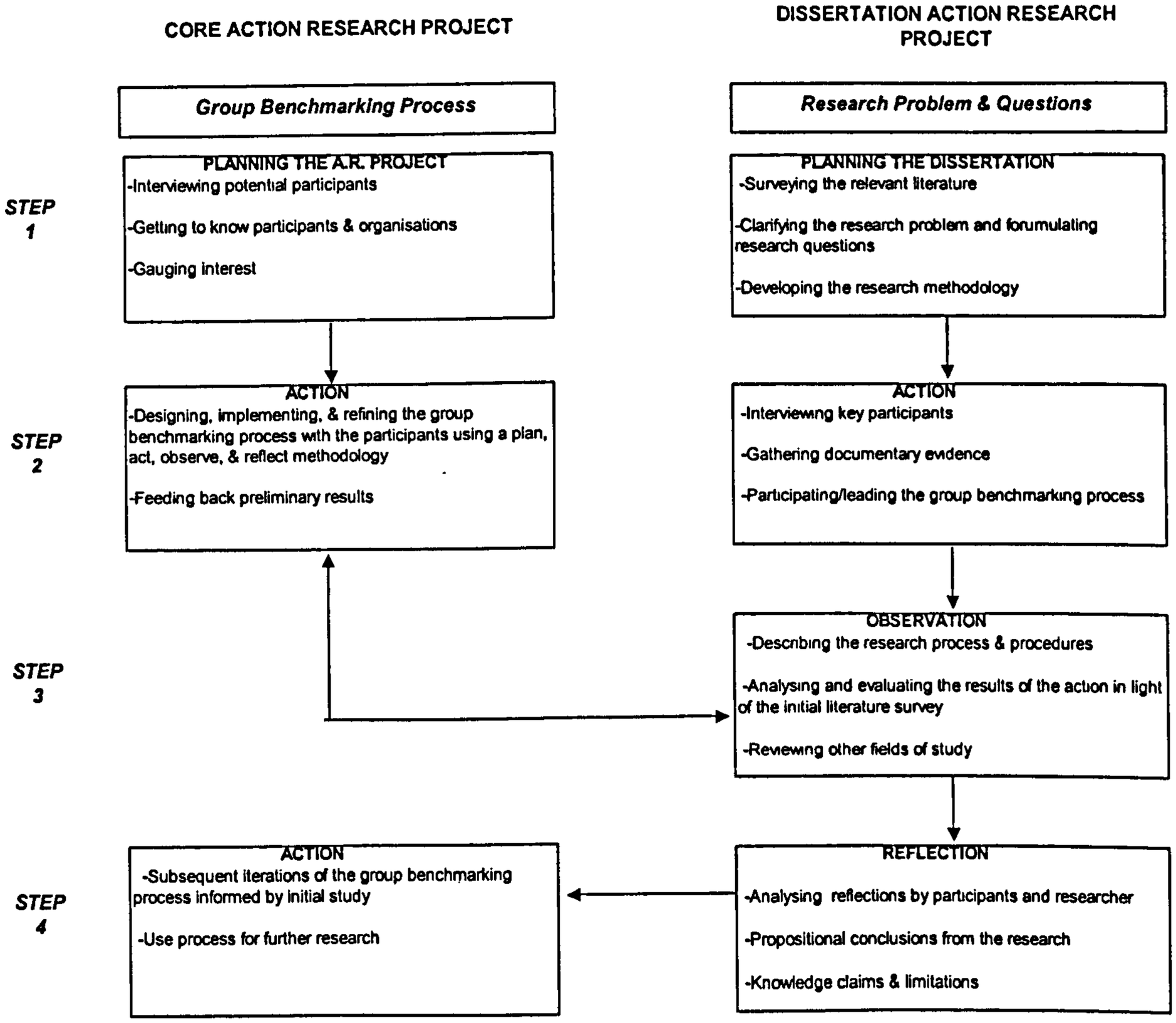

Figure 1.2: Overview of the Research Process (based on Perry & Zuber-Skerrit, 1992:203)

tandem with clear business benefits and the safeguards of a neutral third party ensuring an appropriate code of conduct, this could provide further incentives for teamwork and co-operation, and further reduce stickiness in the process of best practice transfer. This would led to greater perceived business benefit, and so on. However, it was not anticipated that these long run effects would manifest themselves during the limited course of this study, which focuses on the first full iteration of the group benchmarking process, its impact on participants, and the key determinants of that impact. Subsequent iterations of the process could be used to further test the preliminary hypotheses and models developed as part of this research programme.

1.2.2 Objectives: Local Demand; An Experiential Learning Opportunity, A Gap in the Literature

The primary impetus for this study came from members of Newcastle Business School's Best Practice Club. In early 1993, inspired by a presentation on business process benchmarking given by a quality improvement manager from the Royal Mail, a core group of Club members approached the Newcastle Business School for help in initiating a 'benchmarking group' within the Club. Since early 1990, The Best Practice Club had provided participants with a regular opportunity for informal 'benchmarking' and experience sharing (Yarrow and Appleby, 1993; Kunst, et al, 1996). However, the presentation had convinced many audience members that applying a more rigorous, structured approach to the search for best practice could extend the benefits of participation.

An initial attempt, by the Business School, at organising small common interest benchmarking groups to help Club members get started benchmarking took place a few months after this presentation. Several groups were formed during this initial session, however, most efforts petered out. Little 'benchmarking' activity of the type described in the Royal Mail presentation actually occurred. Initial observation by the organisers suggested that most of the participants, and the organisations they represented, had little benchmarking experience. As a result, once the initial session concluded, they had little idea how to proceed. Their experience of 'benchmarking' up to this point bore a stronger resemblance to such things as performance measurement, league tables, plant tours, site visits, and 'industrial tourism', than the rigorous, systematic search for and implementation of, best practices endorsed by leading benchmarking practitioners and consultants (see for example Camp, 1989, APQC, 1993; Watson, 1992). Within the small benchmarking teams, little mutual agreement and understanding existed over the nature of their 'common' interest, which further confounded the general lack of consensus over the meaning of benchmarking within the wider group of organisations.

Participants indicated they needed both training and facilitation to successfully undertake a common interest group benchmarking project. They also believed their efforts would benefit from the presence of a third party to facilitate, broker, and champion the process. Perhaps most importantly, despite their initial disappointment, most participants believed it would be useful to approach the benchmarking process as a group. As a result, with the backing of 'veterans' of this initial effort, as well as other key members of the Best Practice Club, the

outline for this study was proposed and accepted. Beginning in January 1994, what became known as the 'Group Benchmarking Process' got underway.

The second objective of this study reflects the desire by participants and the participant-researcher to use the study to build skills, which could be utilised after the conclusion of this study. Learning by doing, or experiential learning, is well recognised as an important and effective means of self improvement (see Kolb, 1986; Bunning, 1995). Rather than attending a training course or presentation, or passively observing other individuals and organisations benchmarking, the researcher, and many of the participants, sought to learn to benchmark by actually trying to do it. The presence of a small community of learners potentially offered support for the learning process, as well as provided immediate examples from which to learn. At the same time, by including processes of reflection in the methodology, the study encouraged reflective practice, and thereby enhanced the probability that participants and the researcher would learn from experience (Kolb, 1986). In addition, participants were involved not only in the practice of benchmarking, but also in the design and implementation of the intervention strategy created to initiate the benchmarking process. As a result, the opportunity also existed for participants and the participant-researcher to better understand the challenges of co-ordinating inter-organisation benchmarking activities.

The final objective reflects the clear gap in the benchmarking and quality networking literature in the area of benchmarking networks and common interest benchmarking groups, which this study seeks to address. While a number of empirical examples of benchmarking networks and common interest groups, similar in some respects to the one described here, exist, both here and abroad, little research attention has been paid to their effectiveness in finding best practice or to exploring the potential determinants of effectiveness. Instead, the leading benchmarking authorities such as Camp (1989, 1995) Watson (1992, 1993) Spendolini (1992), Zairi and Leonard (1993) Boxwell (1994) Liebried and McNair (1992) amongst others, have focused most of their attention on the single organisation benchmarking 'independently', i.e. outside the context of a network or a common interest group. These authors, and others, have supplied practitioners with numerous, valuable examples of the effective, and ineffective, application of the benchmarking process in a variety of contexts, by single organisations, benchmarking 'independently', as opposed to inter-dependently as part of a network or common interest group. They have also provided

definitions of the benchmarking process, classification schemes to distinguish the various types, rationales for pursuing benchmarking, structured models for applying the benchmarking process, various checklists, forms, and worksheets to assist application, and, more generally, valuable ready to apply information for the benchmarking practitioner. That is, the benchmarking practitioner, benchmarking independently, not one who is attempting the process as part of a common interest group or a benchmarking network. Much of the knowledge these studies have generated has been incorporated into the design and implementation of the group benchmarking process.

Whilst the shelf has grown increasingly full of practitioner-focused material devoted to independent, one-to-one or 'dyadic' benchmarking, little identifiable material actually exists which explores the effectiveness of common interest benchmarking groups, benchmarking networks and similar initiatives, despite indications from leading benchmarking authorities of the potential benefits of this type of approach to the benchmarking process. Camp (1995:247), for example notes the valuable role benchmarking networks, consortia, clearinghouses, common interest groups (what he calls the 'peopleware' of benchmarking') can play in the future development of benchmarking. He (1995: 246) also raises the issue of time, and what he sees as the 'disconnection' between the point at which the need to change is recognised and point at which the search for best practice is completed. The need for timely information, he argues, must be balanced with the need for a rigorous approach to the benchmarking process, which will enable the gathering of relevant and complete information. What he seems to be indicating is the need for an effective (i.e. finding the right/best available practices) and an efficient (i.e. lowest possible cost/manpower & least amount of cycle time) benchmarking process. Camp (1995: 244-245) also asserts that benchmarking needs a lexicon, or common language as well as a process classification scheme, which would make it easier to define topics for benchmarking, agree areas of common interest, and make information sharing more effective. He does not, however, address the effectiveness of 'peopleware' or explore the key determinants of effectiveness. Similarly, he doesn't explore how the creation of a benchmarking network and the formation of common interest groups, i.e. peopleware, might help to alleviate some of the other problems such as the lack of common definition and understanding of benchmarking and the business processes, or the difficulty of gathering benchmarking information that is timely, relevant, and complete. In short, he does not answer the question- Can 'peopleware' help make the benchmarking process more effective?

Watson (1993:37) develops the concept of 'strategic benchmarking', which he describes as 'the establishment of long-standing relationships with a limited number of companies, for example, customers, suppliers, stockholders that will serve as a network for sharing strategic direction and methodology'. He argues that this can give an organisation a consistent external perspective for developing strategic direction which is much more rigorous and systematic than the ad hoc approach of the board of directors. Watson mentions the use of 'common interest groups', which he defines as 'a network of individuals or organisations who share a mutual interest in a specific subject, and have agreed to share their experience'. He also presents a case study, which outlines a consortium benchmarking study undertaken by a group of health care organisations. Watson's emphasis, however, is on what the study discovered and the benchmarking process used by participants, rather than whether the process was a particularly effective means of finding best practice. In a later article, Watson (1994:6) directly addresses the issue of benchmarking networks, suggesting that the future of benchmarking lies in the increased use of networking because it has the potential to reduce the cost and improve the efficiency of the process. Benefits accrue because the use of networks allows an organisation to easily locate a willing and able benchmarking partner, which may be more inclined to share information. He also proposes a classification scheme for the various types of networks an organisation may tap, and proposes a 'networking version' of a process benchmarking model. Unfortunately, whilst intuitively appealing, Watson provides no empirical evidence, little theoretical support, nor cites any research, which could support his intuitively appealing conclusions about the effectiveness of a network approach to benchmarking.

Finally, Boxwell (1994) proposes 'collaborative' benchmarking as a type of benchmarking which he distinguishes by the balanced information flow between the benchmarker and benchmarkee. This stands in marked contrast to most benchmarking studies which tend to be a rather one-sided affair, with most of the knowledge flowing from the benchmarkee to the benchmarker. Boxwell cites a common interest group study as an example of this form of benchmarking. Unfortunately, like Watson or Camp, Boxwell does not follow up this useful insight with any analysis of effectiveness or the key determinants of effectiveness of a 'collaborative' approach to benchmarking.

To summarise, leading benchmarking authorities, such as Camp, Watson, and Boxwell have all noted the existence of common interest benchmarking groups and benchmarking networks, and, to varying degrees, have explored the potential benefits of these approaches to the benchmarking process. However, none has yet to systematically address whether the process is an effective method of finding best practice, or to identify the key determinants of effectiveness. Consequently, a space exists on the shelf devoted to benchmarking to make a contribution to the literature in the area of common interest groups and benchmarking networks. In essence, it is a Greenfield site.

A similar gap exists in the quality networking literature. Kunst et al (1996) examined a number of quality networking initiatives around the European Community. They provide a definition of quality networking, as well as a scheme for classifying the various initiatives they have observed. They admit it is difficulty to assess the effectiveness of quality networking, and note than very few of the initiatives they studied actually attempted to do so. Their definition of effectiveness is not stated in terms of finding best practice. Rather, they attempt to define effectiveness in terms of 'global outcomes' (e.g. financial measures) which poses all sorts of difficulties given the multiplicity of initiatives on going in most organisations and the number of exogenous factors which can potentially influence organisational interventions such as quality networking (see Hackman and Wageman, 1995 for a discussion of this difficulty in relation to total quality management). Not only do they not consider effectiveness in terms of finding best practice, presumably one of the important explicit and/or implicit objectives of most quality networking initiatives, they do not actually specifically consider initiatives, which use a benchmarking or common interest group benchmarking approach to finding best practice. The other quality networking literature (e.g. Cleveland, 1995, 1995a) reviewed by this researcher revealed similar gaps. The conclusion reached by the researcher- A clear, and important gap in the literature existed, which could be filled by this study.

1.2.3 Research Questions

The researcher decided to conduct an exploratory study focused on the effectiveness of the group benchmarking process and the key determinants of effectiveness. A number of reasons for taking an exploratory approach in this research programme can be cited:

- A clear gap in the benchmarking and quality networking literature existed
- It is an area of limited study
- Little theory has been developed or tested

- Most of reports are essentially anecdotal with little underlying methodology clearly defined

The group benchmarking process, designed as part of a structured research project, provided an ideal opportunity to remedy this deficiency. To fulfil the third objective of this study, i.e. to contribute to the benchmarking and related literature in the areas of inter-organisation benchmarking networks and common interest benchmarking groups and consortia, the following research questions have been posed:

- **Was the group benchmarking process an effective method of finding best practice?**
- **What were the key determinants of the effectiveness of the group benchmarking process?**

The effectiveness of the group benchmarking process, and an analysis of the key determinants took place in stages. They were explored at the conclusion of each action research cycle. They were also explored at the conclusion of the first iteration of the group benchmarking process. At the conclusion of the first iteration, a final analysis of the process and its key determinants was undertaken, enabling the researcher to answer the two research questions. The research will propose a model of the determinants of the effectiveness of the group benchmarking process. The model has been derived from the data produced in this case study. It was not formally tested as part of this research, but is presented for future researchers to test and refine. However, It does provide guidance to future researchers on how to evaluate the impact of similar initiatives and what variables should receive particular attention. It will be left to future researchers, this one included, to conclude definitively that x caused y.

The preliminary analysis was also used to refine the next iteration of the group benchmarking process, which saw the creation of several more common interest benchmarking groups. These groups began towards the end of the data gathering period of this study. They concluded their work well after it was practical to include the full results of their efforts into this study. However, the changes made to the second iteration of the group benchmarking process, particularly in relation to the common interest groups, and preliminary results from these groups do form part of the analysis and discussion presented later in this document.

1.2.4 Significance of This Study

Marshall and Rossman (1995:22-37) suggest research can be of use in three ways:

- By contributing to knowledge
- By being relevant to policy makers
- By being useful to practitioners

This study meets Marshall and Rossman's criteria in the following ways. Firstly, it makes a contribution to knowledge by adding to the body of literature on benchmarking and best practice. Whilst empirical examples of benchmarking networks and common interest benchmarking groups have been cited in the benchmarking literature and popular press (see for example Watson, 1993, 1994a; APQC, 1993; Spendolini, 1992; Zairi and Leonard, 1994; Boxwell, 1994; Camp, 1995; Andersen and Camp, 1995; Chase, 1995 Cleveland, 1995, 1995a) little evidence of systematic study of the effectiveness of these initiatives in finding best practice or the factors which determine their effectiveness, has been uncovered. This study makes a contribution to the benchmarking and quality networking literature in the specific area of benchmarking networks and common interest benchmarking groups through its exploration of the effectiveness of the group benchmarking process and through its development of grounded theory with which to understand the key determinants of effectiveness.

Second, this study has relevance to policy makers responsible for promoting local and regional development and competitiveness. Group benchmarking represents one alternative, amongst many, for promoting the competitiveness of organisations within a region by encouraging inter-organisation co-operation, networking, and the proactive transfer of best practice. By concentrating its focus on the effectiveness of the group benchmarking process, the study may assist policy makers in choosing between alternative development and competitiveness schemes. It may also be useful to policy makers in developing tools for evaluating the impact of similar initiatives for promoting the transfer of best practice. Likewise, by highlighting the key determinants of impact and vividly illustrating the practical difficulties and challenges inherent in promoting inter-organisation co-operation and teamwork in the context of benchmarking, the study may provide a useful model for the design and implementation of similar schemes to promote local/regional competitiveness.

Third, the study met an expressed need within the local community for help in initiating the practice of benchmarking. It proved useful to many of the organisations and individuals participating in the study by providing an opportunity to learn to benchmark by actually trying to do it. Despite limited success in actually transferring best practice, as a result of their experience many of the organisations are now in a better position to benchmark more effectively in future. The lessons learned from each iteration of the process have been used to facilitate the learning of new participants. Finally, the study may be useful for practitioners in deciding whether to participate in similar quality networking schemes or to go it alone.

1.3 Research Methodology

1.3.1 Overall Framework

Within the overall framework of an exploratory case study, a participative action research method was used to design, implement, and refine what was known as the group benchmarking process. This method, led by the researcher, involved multiple cycles of plan, act, observe, and reflect to create each key stage in the group benchmarking process. As a result, an inter-organisational benchmarking network was established and several common interest benchmarking groups were created. The design, implementation, and improvement of the group benchmarking process (i.e. the first iteration) served as the focal case study, which enabled the research questions, posed above, to be answered.

The research programme began with an initial review of current theory and practice in the areas of benchmarking, total quality management, quality networking, action research and qualitative methods (see Figure 1.2) above. This understanding of theory was supplemented by detailed discussions with potential Benchmarking Network members about their expectations and reasons for participation, as well as the research elements of the programme they were invited to support. As the research programme unfolded, the researcher continued to access the benchmarking and related literature. He also began exploring some of the literature in fields of best practice transfer, strategic networks, resource theory, diffusion of innovation, organisational learning, isomorphism, and group behaviour, because it was believed that insights from these fields might help to improve the group benchmarking process, as well as provide a better understanding of effectiveness and potential determinants.

This created a useful 'dialogue' or dialectic between the relevant literature, the emerging 'grounded' theory, which was developing as the programme progressed, and the demands of those participating in the research. The outcome of this on-going dialogue helped to shape the researcher's growing understanding of effectiveness and its determinants, as well as his efforts to improve the group benchmarking process. Whilst the researcher had some idea of how the process 'should' unfold, based both on his understanding of existing theory and his ongoing analysis of the data, he often had significantly less control over how it actually unfolded. At the end of the day, the final decisions were made by the participants and influenced by the researcher.

1.3.2 Data Collection and Analysis

Several primary methods of data collection were used in this case study. These were:

- **Participant observation**- The researcher played the lead role in the design, implementation and refinement of the group benchmarking process. As well as participating in the process, he systematically observed the actions of the other participants. Data from this method was analysed on an on-ongoing basis, as part of the reflective stage of the action research method, and the insights gained were used to shape the group benchmarking process. The data from participant observation also fed the grounded theory process described below.
- **Semi-structured interviews**- Key participants, who had been nominated as the Network contact person for their organisation, were interviewed shortly after the first common interest groups got underway. These interviews focused on participants' reaction to the key steps in the process, expectations about the common interest groups, company background, preparation for benchmarking, level of commitment, and satisfaction with network participation. After the common interest groups completed their work, the researcher held a further round of interviews with the Network contact persons, regardless of their participation in a common interest group. The researcher asked participants to reflect on their experiences with the group benchmarking process and the common interest groups (where appropriate) and to discuss their perception of the outcomes of the process, its effectiveness, and the factors which contributed to effectiveness (or lack thereof). All formal interviews were tape-recorded. They were reviewed, and after listening to each recording several times, notes were transcribed and analysed.
- **Review of Documentation**- Documentation from a variety of sources, including common interest and steering group meeting notes, common interest group reports, and the like was gathered and analysed on an on-going basis, as well as part of the process of developing grounded theory.

Triangulation, where possible, was achieved by comparing responses across common interest group members, direct observation by the researcher and other members of the research team, and by interviewing other members of the participants' organisation, mainly

supervisors or co-workers. The researcher interviewed other members of the research team, as well as the director of another local networking initiative.

Close involvement with the group benchmarking process enabled unique access to data about the process, outcomes, and key determinants which would not have been readily available if a more hands-off role had been played, a different research method employed, or a different benchmarking network had been studied. Likewise, all of these activities provided the researcher with valuable hands on experience in benchmarking and facilitating inter-organisational benchmarking groups which would not have been available if more traditional, non-participative research methods had been employed.

A grounded theory approach was used to analyse the data. This technique was chosen because it was deemed most appropriate both for the style of case study undertaken (i.e. exploratory), the method used (i.e. action research) and the nature of the primary data collected (i.e. interviews and participant observation). As Easterby-Smith et al (1991:108) indicate transcript data of the sort this research has generated is ideally suited to analysis using grounded theory techniques. The basic stages used in the data analysis are those suggested by Easterby-Smith (1991). See also, Glaser and Strauss (1967) and Turner (1981,1983). These were:

- Initial familiarisation
- Reflection
- Conceptualisation
- Cataloguing and re-coding
- Linking
- Re-evaluation and review.

The researcher reflected on, and analysed the data at key stages in the process to help determine the next actions, as well as to produce an internal preliminary report. This report and other similar findings were presented back to selected participants for their review and comments. Preliminary findings were also presented to research groups and conferences, and to organisations considering becoming involved in subsequent iterations of the group benchmarking process. Review and reflection was also part of the interview cycle, where the researcher used subsequent interviews to pursue emerging themes and to look for evidence, which might disconfirm his developing understanding. Given how long it has taken to prepare this formal dissertation, it is probably safe to say that a sufficient period of reflection and analysis has been undertaken.

1.4 OVERVIEW OF THE GROUP BENCHMARKING PROCESS

An action research method, of plan, act, observe and reflect, was used to design, implement and refine a 'group benchmarking process'. For the purposes of this dissertation, the author defines group benchmarking as:

> *The application of business process benchmarking by small inter-organisational teams within the context of a formal inter-organisation network*

Group benchmarking (illustrated in Figure 1.3) consisted of four key stages, modelled on Deming's Plan-Do-Check-Act cycle, and was designed to continue operating after the conclusion of the formal research. The process started with the creation of an inter-organisation benchmarking network. A process of matching of common benchmarking interests amongst network members was then initiated. These steps were essentially preparing to benchmark. The matching of common interest groups led to the formation of common interest benchmarking groups (CIGs). These groups were facilitated (to varying degrees) through a structured benchmarking process (described in Chapter 4) by the researcher. During the process, data was gathered and participants were asked to reflect on the process, impact, and key determinants. Upon completion of the work of the CIGs, the process was reviewed. Lessons learned from the review were then incorporated into future iterations of the group benchmarking process. The process is fully described in Chapter Four.

1.5 Organisation of the Dissertation

This section provides a Chapter by Chapter overview of the dissertation.

Chapter Two-Provides background to the research. It describes the Best Practice Club, which provided the local context and impetus for this research. It also reviews the best practice transfer literature, examining the link between best practice and performance, highlighting the potential benefits of best practice transfer, as well as some of the fundamental impediments to the best practice transfer process. The Chapter provides a practical justification for conducting this action research programme- local demand for the action research and potentially significant practical benefits for participants if successful.

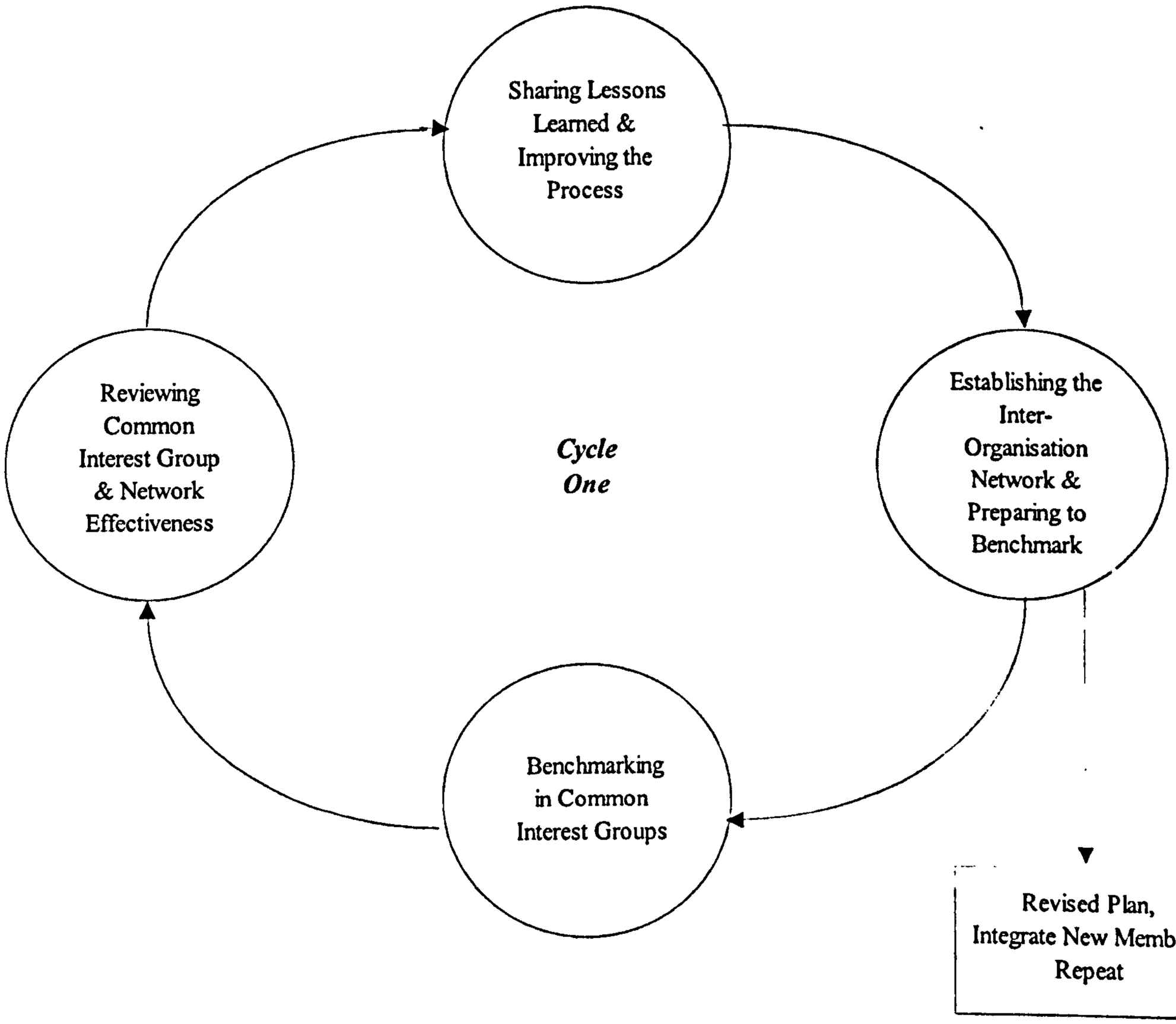

Figure 1.3: Overview of the Group Benchmarking Process

Chapter Three- Provides an in-depth review of the benchmarking and quality networking literature. It establishes the current state of knowledge in these fields and highlights a number of issues such as the importance of process rigour; the difference between benchmarking and industrial tourism; the lack of common understanding of benchmarking and the application of the benchmarking process amongst practitioners; the importance of (and absence of) quality and benchmarking maturity; the critical success factors and reasons for benchmarking project failure.

Chapter Four- Concentrates on the group benchmarking process providing a detailed description of each of the key phases and steps in the process. Each step in the process is discussed in detail and much of the supporting documentation used at the time is interspersed with the text and/or included in the appendices. The purpose of this chapter is to enable the reader (and future researchers) to better understand what the researcher

attempted to accomplish in this study. The Chapter is effectively an in-depth, macro-level case study of the design and implementation of a benchmarking network and common interest groups. It offers practitioners a valuable case study of one example of a quality networking initiative. It provides enough information to enable future researchers (or practitioners) to replicate. A 'warts and all' description of the group benchmarking process, both as it was intended and as it worked in practice has been provided. Readers can analyse for themselves what worked well and what didn't, and draw lessons from the rich description provided, independent of the analysis provided by the researcher in later Chapters.

Chapter Five-The Chapter has two purposes: enable replication and clearly explain the methods used in this study, their strengths and weaknesses, and the rationale for choosing them, as well as any difficulties encountered and issues raised in the process of trying to apply them. This will enable the reader to evaluate for him/herself the appropriateness of the methods used and the relative skill with which they were applied in this research programme. This chapter should also be of benefit to future researchers struggling with the potential quagmire of selecting appropriate research methods.

Chapter Six- This Chapter examines the extent to which participants were involved in the group benchmarking process. The discussion focuses on participation rates at each key stage in the process, giving the reader a broad overview of the relative 'success' of the group benchmarking process in terms of actually getting organisations involved, and in some cases, 'benchmarking' as part of a common interest group. This Chapter served as the prelude for determining whether the process was an effective means of finding best practice.

Chapter Seven- Examines the outcomes of the group benchmarking process, and addresses the first research question- was the common interest group benchmarking process an effective method of finding best practice? The question is comprehensively addressed by analysing the data presented in a series of brief case studies of the eleven organisations, which played a major role in the group benchmarking process. A definition of effectiveness is proposed and the group benchmarking process is measured against this definition. The issues of implementation of practices discovered and the transfer (within

participating organisations) of knowledge gained from participating in the project are also reviewed.

Chapter Eight- Focuses on the six key determinants of effectiveness, which emerged over the course of the action research project. The Chapter begins with a brief overview of these six factors, which emerged as the most significant influencers of the effectiveness of the group benchmarking process. This provides a high level model of the key determinants of effectiveness of the group benchmarking process. The Chapter then examines each of the key determinants in greater depth, and illustrates how each impacted effectiveness in this case. It then briefly compares the findings of this study with the benchmarking and quality networking literature reviewed in Chapter 3, and in particular with the critical success factors of benchmarking and quality networking. It also looks at the fit between the model of the key determinants and the work of Hackman (1987) on group effectiveness. Finally, the answer to this study's second research question is summarised.

Chapter Nine- Provides a summary of the research and discusses the conclusions reached about the two research questions. It outlines the main contribution this study has made to knowledge in the area of benchmarking and quality networks. It also provides guidance to policy makers, practitioners, and researchers working in these fields, and suggests areas for further research.

Note- The dissertation is clearly longer than many submitted as partial fulfilment of the Ph.D. This reflects the qualitative nature of the research and the desire of the researcher not to turn participants' words into numbers simply for the sake of brevity. The researcher has tried, where possible, to let participants speak for themselves, as some of the most powerful insights have come from those who participated in the process. The researcher has sought to skilfully organise and interpret those words and to reflect on their meaning so as to provide a valid and reliable answer to the research questions posed in this study. The reader will judge for him/herself whether this objective was achieved. The use of an action research method also stood in the way of brevity. In order for the reader to fully appreciate the conclusions reached by the researcher, it is useful for them to review not only the raw data of interviews and participant observation, but also to understand what participants actually experienced. Thus, a full description of the intervention strategy created using an action research method was described and included in the main body of the dissertation.

This also enables the reader to analyse and reflect on the effectiveness of the intervention strategy 'first hand', rather than just 'second hand' through the eyes of the researcher. Finally, the reader will notice that Chapter 4, which discusses the researcher strategy, could be described as 'exhaustive' (and exhausting). This reflects the researcher's desire to provide a 'bullet proof' defence against critics of case studies, action research, and qualitative data gathering and analytical techniques. It was also intended to answer this researcher's critique of much of the work in the area of benchmarking and benchmarking and quality networking as being devoid of any discernible research method.

1.6 Summary of the Outcomes

The key findings presented in Chapters 6 to eight are summarised in following three sections.

1.6.1 Participation Rates

Participation rates over the course of the group benchmarking process fell considerably. From the original group of 21 Best Practice Club members, only five organisations (i.e. 24%) completed the process of benchmarking as part of a common interest group. Six organisations joined the process at mid-point, however, only one (i.e. 17%) actually completed the process. Overall, only 6 out of 27 (i.e. 22%) of the organisations, which participated in the project, actually worked as part of a common interest benchmarking group.

Comparison to the available, mainly anecdotal evidence which began to emerge at the time of this research programme, help to confirm what the researcher began to suspect: the benchmarking networks and common interest group benchmarking process can be fraught with difficulties. Many organisations will drop out of active participation before ever getting to the stage of common interest benchmarking. Without a considerable commitment of time and resource, from both the participants and the facilitator, the process will struggle to retain participants

1.6.2 Research Question One: Was the Group Benchmarking Process an Effective Means of Finding Best Practice?

The outcomes achieved by participants fell into the following categories:

- Learn How to Benchmark
- Understand Own Process
- Discovering Good Practice

- Discovering Better Practice

Eight of the eleven organisations reached the level of learning how to benchmark. This group included two organisations, which did not actively participate in a common interest group. Of the six organisations, which participated in a common interest group, all reached the level of better understanding their own process. Five of the six common interest group members reached the level of discovering good practice. Two common interest group members achieved the level of better practice. However, none claimed to have found best practice as a result of participating in the group benchmarking process. In addition, only one organisation claimed to have implemented the new knowledge gained, though several participants claimed some success in transferring their new knowledge of the benchmarking process across their organisations.

Process effectiveness was defined simply as:

Doing the right things

The effectiveness of the group benchmarking process was measured in terms of:

- Quality- Did the process produce its intended results, i.e. finding best practice?
- Timeliness- Was the intended result produced in a timely fashion?
- Cost- Was the intended result produced in a cost effective manner?

In other words, to what extent did the outcomes match the desired results? In terms of quality, the process could not be considered an effective method of finding best practices, because none were actually discovered. However, it was significantly more effective in achieving participants' (as opposed to the researcher's) desired results, which were to find better practice and learn how to benchmark. Participants did not consider that the intended results were achieved in a timely fashion, though the cycle time of the common interest group process was comparable to a standard benchmarking exercise conducted outside the context of a benchmarking network and common interest groups. Cost effectiveness was also evaluated, in this case from three perspectives- financial, time/human effort, and opportunity cost. Financial cost was minimal. Opportunity cost (relative to benchmarking alone) was positive because most participants believed they would never have started benchmarking without having participated in the group benchmarking project. The time/human effort element is a bit more complicated. Participants believed the process was more complicated than it needed to be and thus required more human effort than would

otherwise have been necessary. However, most participants put an implicit limit (or had an implicit limit placed on them by their superior) on their time during any given period. In most cases this was about two man days per month as a result the actual 'cost' of human effort was only two days per month. The perception of participants was the process was not particularly cost effective, though in comparison to a typical benchmarking project, it was actually cost effective. Finally, the issues of implementation and knowledge transfer are also addressed. Unfortunately, very little implementation of practices or transfer of knowledge was observed in this case study.

1.6.3 Research Question Two- What Were the Determinants of Group Benchmarking Process Effectiveness?

The application of grounded theory techniques to the data gathered yielded the following determinants:

- Effort
- Organisational Readiness
- Individual Readiness
- Process Structure
- Network Facilitator
- Group Processes

In other words, it was found that the effectiveness of the group benchmarking process depended on how much sustained (quality) effort was put into the process, how ready the organisations and individual participants were to benchmark, the structure and nature of the process, the amount (and quality) of the facilitation participants received, and the effectiveness of processes used by the common interest benchmarking groups. These findings were compared to the benchmarking, quality networking, and best practice literature, as well as to the work of Hackman in the area of group effectiveness. Support for the findings was found across these bodies of knowledge. The Model should provide a useful frame of reference for future researchers examining similar settings and contexts. Likewise, it should be useful to practitioners and policy makers interested in developing and/or improving their efforts to use inter-organisation networks and common interest groups to transfer best practice. The model proposed here is useful because it fits and works.

CHAPTER TWO

Background to the Research

This Chapter provides background to the research by first describing the Best Practice Club, which provided the local context and impetus for this research. The Chapter then turns to a review of the best practice transfer literature and identifies some of the fundamental difficulties associated with attempts to transfer practices between and within organisations. The discussion will provide valuable insights into the context in which the research programme was launched, and serve as a lead into an in-depth examination of the practitioner-focused benchmarking literature in Chapter Three.

2.1 Local Demand for the Group Benchmarking Process- The Best Practice Club

In November of 1990, Newcastle Business School (N.B.S.) established 'The Best Practice Club' as a forum for organisations to exchange ideas, to share best practices, and to relate their experiences of success and failure in quality improvement efforts. David Yarrow (Director of Studies for this research programme), now a principal lecturer at N.B.S., recruited a wide cross section of Northeast organisations from the public and private sectors, including both manufacturing and service companies, to form an initial group of twenty organisations. While he used no specific criteria or screening mechanisms to select organisations for membership, those invited to participate were perceived by the Business School to be leaders in the field of quality (in the Northeast). At the time, the Business School's effort was one of several 'networking' initiatives organised in the Northeast[lx]. Club membership did not include any direct competitors in order to ensure a free flow of information. Yarrow founded the Club on the principle that organisations from different sectors could learn from each other, particularly if a bit of 'lateral thinking' was applied (Yarrow and Appleby, 1993). The Club met on a regular basis (about every 1 ½ months). Each member took it in turn to host a meeting (a key principle of the Club was reciprocity). Meetings usually consisted of a brief presentation by the host organisation, followed by a question and answer session, and a tour of the host facility. Occasionally, the Business School would arrange guest speakers, in which case, the Club convened at the University.

Meetings focused around the general theme of total quality management, and the difficulties associated with implementing elements of this approach. A typical session might focus on the host organisation's implementation of J.I.T., its attempts to create self-managed work teams, how it implemented cellular manufacturing, achieved ISO 9000 certification, or

reengineered a key business process. The sessions were informal, though a high standard of presentation was maintained, as the host organisation usually took the opportunity to put its best foot forward. The sessions were usually facilitated by the primary Best Practice Club, representative who was usually the quality manager or similar within the organisation. It was typical, though, for other members of the host company to play a significant role in the presentation, discussion, and/or tour, and the general manager/managing director would often make the preliminary welcome and introductions. Attendance averaged about 25 people per session, the majority being the primary Club contacts (i.e. the counterparts of the Best Practice Club contact at the host organisation). The main Club representative (also referred to in this paper as the contact person) was encouraged to bring along other members of their organisations. Nevertheless, the composition of the audience remained fairly static: mainly Best Practice Club contact persons, i.e. quality managers.

2.1.1 Benefits of Membership

Initial enthusiasm for the Best Practice Club was relatively high. This reflected, in part, the novelty (at that time) of its approach, its social aspects, and the perceived benefits of participation. The opinions of Club members, captured by Yarrow and Appleby (1993), suggest the general benefits of participation could be summarised into two overlapping categories. These were:

- The Club provided 'psychological support' (see Schein 1995a) to members, primarily quality managers, by helping them to recognise they were not alone or unique in experiencing, and overcoming difficulties in their quality improvement efforts. This provided a valuable morale booster for these managers.
- Club meetings often provided concrete evidence of the benefits of total quality management practices and helped members to dispel the 'it will never work here because we're unique' attitude held by other members of their organisations.
- The Club provided access to the potential solution to organisational problems through the study of the practices of other organisations, many of which were out of their industry.

The potential benefits are captured quite succinctly by Ioan Overton, a production services manager at Nestle, who stated (Yarrow and Appleby, 1993):

> *The biggest benefit that the Club gives us is that it helps us to realise that our problems are not unique. Other people have experienced them and found solutions. It also stops us from falling into the trap of thinking that things will never work with our personnel; if an initiative works a few miles down the road; there is no reason for it not working here... The diversity of organisations within the Best Practice Club helps me to realise that the solutions to our problems can be developed in industries other than our own. The Club has shown that best practice is applicable to all industries.*

Besides providing support and supplying examples of (possible) best practice[x], the Club served a 'networking' function, giving members a chance to expand their web of business and social contacts during the regular forums. In some instances, these relationships led to contacts outside of the context of the Best Practice Club. For example, a party of senior managers from the Northern Hospital Services Directorate visited their counterparts at Council Facilities Management, spending the better part of a day discussing management and operational issues of mutual concern. Plans were laid for a future visit by Council Facilities Management to the Northern Hospital facilities, and it was envisaged that a partnership leading to joint improvement projects might develop between the two organisations. Unfortunately, neither the return visit nor the joint improvement projects ever materialised. Relationships between Club members and between the Business School and Club members were often further reinforced through the School's total quality management (diploma and masters) programmes and its consulting activities. The educational programmes and consultancy contracts provided a fertile recruitment ground for potential Club members. Likewise, existing Club members provided a natural base to recruit potential students. Thus, some Club members had met in an educational setting and the relationship had continued to develop in the Best Practice Club. Over time a core group of companies, and within those companies, a core group of individuals, began to emerge as the main contributors to/participants in the Club.

2.1.2 Limitations of the Best Practice Club.

Members clearly believed that the Club could deliver real benefits. However, as time passed and initial enthusiasm wore off, it became apparent that there were limitations to the benefits. For example, while the meetings might focus on a specific business issue (e.g. process reengineering or J.I.T. implementation), the discussion would almost invariably work its way back to the quality manager's favourite 'old chestnuts' i.e. how to make quality the true focus of the organisation. The 'meaning of life' discussions would often become the focus of the session, and little new ground would be explored. As a result, the Club became a bit of a single issue, 'talking shop', where the converted preached to the converted on a semi-regular basis. To compound matters, the primary attendees were quality managers. In many of the participating organisations, the Club rarely penetrated beyond this group of already committed individuals. In terms of spreading the message of quality to people who really needed to hear it, and be convinced of its value- i.e. the sceptical middle and senior managers, the Club was not nearly as successful. Whilst the converted may have received

a psychological boost, the quality message often made little inroads in the rest of the organisation where it was most required (See Kunst et al (1996) for a discussion of the isolated nature of the quality manager and role of 'quality networks' in helping alleviate this problem).

Benefits were also mitigated by the limited amount of preparation required to attend a BPC meeting. All participants needed to do was turn up at the appointed time. There was no requirement to understand your own process, before listening to a presentation on how another organisation managed a similar process. Whilst this limited the participation threshold (Kunst et al, 1996), and probably increased the level of attendance, it significantly decreased the likelihood of being able to effectively transfer best practice. In effect, the Club functioned as more of an industrial tourism network than a real forum for discovering and exchanging best practice. To make matters worse, the 'process owner', perhaps the one individual who could most benefit from the presentation, was rarely in the audience. To summarise, the Club provided attendees, mainly quality managers or similar, with a good shot in the arm, helping to support their efforts to attack the perennial, often insoluble issues they all faced. Unfortunately, the Club appeared to have only limited success in actually encouraging the spread of better/best practice- i.e. the discovery, exchange, adaptation, and institutionalisation (Szulanski, 1993, 1993a) of better methods, practices and the like.

2.1.3 The BPC Discovers Benchmarking- An Initial Attempt at GBM

In early 1993, inspired by a presentation on business process benchmarking given by Mike Pupius, then a quality improvement manager at Royal Mail, a core group of Club members approached the Business School for help in initiating a 'benchmarking group' within the Club. While the Best Practice Club had provided participants with a regular opportunity for informal 'benchmarking' and experience sharing (Yarrow and Appleby, 1993: Kunst et al, 1996), the presentation had helped convince many in the audience that the benefits of participation could be extended by applying a more rigorous, structured approach to the search for best practice. An initial attempt by the Business School to organise small common interest benchmarking groups to help Club members get started benchmarking took place a few months after the presentation. Representatives of the Business School (i.e. David Yarrow, Alex Appleby, and Vas Prabhu) organised and facilitated a session attended by representatives from about ten BPC organisations. The meeting began with a brief introduction to benchmarking, and was followed by an attempt to group participants'

benchmarking interest into areas of common interest. As a result, several 'common interest' groups in areas such as training and preventative maintenance were created. The Business School had no plans (or made any commitment) to intervene beyond this initial organising session. Several groups formed during this initial session, and later reconvened to further discuss areas of interest and to formulate plans on how to proceed with benchmarking. However, most efforts petered out, and little 'benchmarking' activity, of the type described in the Royal Mail presentation, actually occurred.

Observation of the process[xi] indicated that participants lacked a fundamental understanding of the benchmarking process. Few of the participants, or the organisations they represented (nor for that matter, any of their advisors from the Business School) had any real experience with the benchmarking process. What passed for 'benchmarking' in their organisations bore a stronger resemblance to such things as performance measurement, league tables, plant tours, site visits, and/or 'industrial tourism' (see Garvin, 1993; Zairi and Leonard (1994), than the rigorous, systematic search for and implementation of, best practices endorsed by Camp (1989, 1995) and other leading benchmarking authorities. As a result, most had little idea how to proceed once the initial session concluded. Within the common interest benchmarking groups, little mutual agreement or understanding existed over the nature of their 'common' interest. Participants very quickly discovered that benchmarking was harder than it looked, and would require a significant application of effort in order generate any benefit.

2.1.4 Lessons Learned

Despite a rather discouraging start, these initial attempts at benchmarking taught the research team and the participants some important lessons. These included:

- A common definition, process, and language of benchmarking must be shared by the group/network.
- The definition would need to clarify the purpose, as well as the process of benchmarking. Was the purpose to create a league table of performance measures, which might provide stretch goals and spur improvement? Alternatively, was benchmarking about the search for and implementation of best practice, which implies a focus on an organisation's processes?
- Training in basic benchmarking skills would be essential. Not only would this help establish a common definition and process it would help give the common interest groups the skills necessary to work together through the benchmarking process.
- The process required the presence of a facilitator and an honest broker. The extent to which the process required facilitation was not apparent, though participants generally believed that the facilitator/honest broker would be responsible for getting

the process up and running and then turning it over to the companies to run themselves at some later point.
- The facilitation and honest broker role would have to come from outside the participating organisations, and would be ideally suited to a member(s) of the Business School.

Despite the early disappointment, participants saw definite potential in the common interest group approach to deliver benefits beyond those enjoyed as members of the Best Practice Club. As a result, a project proposal was put together by the Business School (see also Appendix 1), and was supported by a number of Best Practice Club Members. In January 1994 a full-time research assistant (i.e. the author) was taken on to organise the 'group benchmarking process', as it came to be known.

2.1.5 Expectations- Reasons for Participation

At the outset of the project, the researcher interviewed/consulted with most Best Practice Club members (and other interested parties) to determine their expectations, reasons for wanting to participate, and to get their ideas on how to design and implement the group benchmarking process. The information gained from these interviews, combined with the experiences described above, and a review of the literature discussed below, was used to put together the preliminary project plan described in Chapter 4. The data gathering process began in January 1994. The project plan was presented for discussion beginning in June 1994.

Participants cited a number of reasons for participating in the project. These included:

- The opportunity for their organisation to learn how to benchmark (i.e. to learn experientially) in a low pressure, mutually supportive environment. In addition, many of the individuals interviewed cited the opportunity to learn an important new skill (i.e. benchmarking), as a key reason for their personal interest in the project.
- The opportunity to widen their base of contacts, as well as to enable them to forge closer links with other Network members. Several described the project as an opportunity to develop what Watson (1993) would describe as strategic benchmarking partnerships with other Network members.
- A way of getting more involvement from other members of their organisation (i.e. increase penetration).
- The opportunity to find better or best practices, the implementation of which could led to tangible organisational improvement.
- A group benchmarking approach, which included training and facilitation, was what was needed to get the process off the ground in their organisations.
- The Network was an economical means of starting to benchmark, as the cost of training and related expenses could be spread over a group of companies, and would initially be included in the subscription fee.

- The formation of common interest groups enabled organisations to better control the agenda, and to focus their efforts on areas of greatest opportunity which was not possible in the Best Practice Club where sessions focused on whatever issues the host organisation found important.
- Participation in the project was an opportunity to raise the organisation's profile in the region and to be seen as a 'leading light'. Benchmarking was a 'hot' item on the managerial agenda. Regardless of their understanding of the topic, the potential benefits it could actually deliver, or its compatibility with organisation's current strategy and level of quality development, many participants felt they must do some benchmarking[xii].
- Loyalty to the School and the Best Practice Club played a part in encouraging participation. Many of the participants had been around since the inception of the Best Practice Club, and/or had completed post graduate diplomas through the Business School.
- The opportunity to raise Regional competitiveness.

Many of the above reasons for participating, capture participant's expectations for the group benchmarking project. Later in this dissertation, these expectations are reviewed in the light of the Network and organisational outcomes. A review of the relative success in meeting participants' expectations will also serve as a useful lead into a discussion of the effectiveness of the group benchmarking process and the key determinants. The expectations and reasons for participation gained, from initial interviews, were combined with the knowledge gained from the literature review to develop the group benchmarking process.

2.2 THE LINK BETWEEN PRACTICE AND PERFORMANCE

Common sense suggests that it would not be particularly fruitful to pursue this action research programme, despite local interest and demand, if there was no fundamental link between the application of 'best practice' and superior performance. That is, if there was no link between best practice and improved performance, why bother learning how to benchmark? The remainder of this Chapter is devoted to a brief review of the conceptual and empirical links between the application of best practice and organisational performance. This includes a discussion of the meaning of 'best practice' and a review of the process by which practices transfer between and within organisations, placing special emphasis on the conceptual framework developed by Szulanski (1993,1993a, 1995, 1996).

2.2.1 Defining 'Practice'

The term 'practice' refers to an organisation's routines, systems, procedures, methods, ways of working and organising, the way it employs its physical, financial, and human assets, and the like (See for example, APQC (1993), Szulanski (1993, 1993a, 1195, 1996), or

IBM/London Business School (1993, 1994). As Szulanski (1993:20) usefully points out, an organisational practice is "what organisational members actually do", i.e. its 'ways of working', as opposed to what it might specify in a job description or a policy manual. In his view, practice is a 'manifestation of organisational knowledge' (p. 20), similar to what Nelson and Winter (1982) refer to as an organisational routine. This view is consistent with the organisational learning literature, which defines routines 'as the forms, rules, procedures, conventions, strategies, and technologies around which organisations are constructed and through which they operate. They also include the structure of beliefs, frameworks, paradigms, codes, cultures, and knowledge that buttress, elaborate, and contradict the formal routines (Levitt and March, 1983). In the TQM and the benchmarking literature (see for example Dale, et al 1994a, 1994b, 1994c; Oakland, 1993; APQC, 1993) practices form the building blocks or basic units of the work processes by which an organisation determines customer requirements, designs and produces products and services to meet those requirements, as well as continuously improves itself. As described by the APQC (1993:7), they are the methods or approaches, which facilitate the implementation of a business process.

The interest in work practices and methods has been around since at least the time of Frederick Taylor, the founder of 'scientific management' (Bendell, 1993; Watson, 1993). As the following extract illustrates, Taylor was very concerned with both finding the 'best' method of organising work tasks, and ensuring that this best method then became the operating standard (Cole, 1994):

> *This one new method, involving that series of motions which can be made quickest and best, is then substituted in place of the ten or fifteen inferior series which were formerly in use. This best method becomes standard, and remains standard, to be taught first to the teachers (or functional foremen) and by them to every workman in the establishment until it is superseded by a quicker and better series of movements." (Taylor, 1967:118)*[xiii]

In Taylor's view, finding, implementing, and standardising[xiv] best working practices were central to improved efficiency and continuous improvement (Cole, 1994:70).

Whilst many of Taylor's ideas have grown out of fashion, the relationship between continuous improvement and best working practices remains central to contemporary total quality management and benchmarking thinking (Cole, 1994, Hackman and Wageman, 1995; Powell, 1995; Dale, et al, 1994c; Oakland, 1993; Watson, 1992, 1993; Camp, 1995; APQC, 1993). For example, the founders of modern quality management, Deming, Juran,

and Ishikawa, believed that product and service quality depended, first and foremost on the work process by which they were designed (Cole, 1994; Hackman and Wageman, 1995[xv]). As a result, they stressed the importance of continuously improving these work processes through the continuous improvement of the practices underlying them (Hackman and Wageman, 1995:312; Deming, 1986:49-52; Ishikawa, 1985:55-56). Cole's (1994) model of the quality management process, depicted in Figure 2.1 below, clearly illustrates the link between continuously improving practices and an organisation's key work processes. Similarly, Deming, amongst others, advocated the use of 'scientific' techniques, such as statistical process control to analyse work processes in order to determine their capability, and to understand the nature of their variation (Hackman and Wageman, 1995:313; Deming, 1983, 1986). Without some standardisation of working practices (amongst other things), processes would not be repeatable, and, consequently the concepts of process capability, variation, and control would be meaningless. Once a process is under control, improvement of work practices may be used to improve the capability and reduce variation (i.e. improve control).

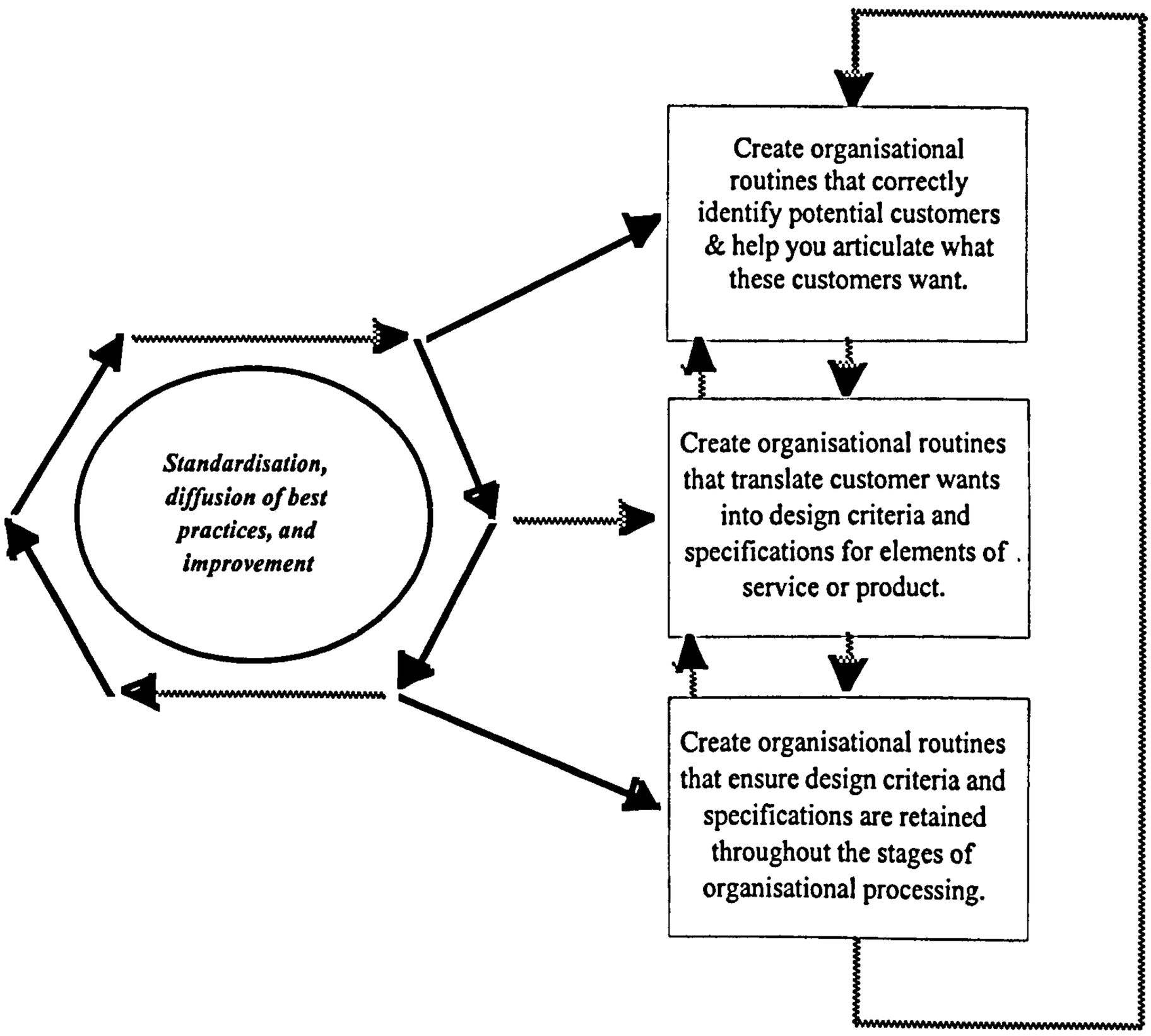

Figure 2.1: Cole's Model of the Key Quality Management Processes

2.2.2 What is Best Practice?

The link between practice and process control provides a useful starting point for defining the concept of 'best' practice. Perhaps the most fundamental and intuitively appealing definition of best practice is given by Hackman and Wageman (1995:326) who point out that best practices are simply 'those, which bring a work process under the greatest possible control'. Camp (1989:252) captures a related theme[xvi] in his description of best practices as 'the methods used in work processes whose outputs best meet customer requirements'. Similarly, other leading benchmarking authorities focus on the link between best practice and performance to provide a definition of best practice. For example, (APQC, 1993:10) describe best practices as the "leadership, management and operational methods or approaches that lead to exceptional performance". As they (p. 10), and others (e.g. Watson, 1993:260) point out, best practice is a relative term, which refers to practices that are 'innovative, interesting, and identified as contributing to improved performance at leading companies', not necessarily those which are the absolute 'best'. Absolute best would appear to be an ephemeral concept, which is difficult to establish definitively, and is both time and context dependent. A final, more general definition of best practice is provided by the Business Excellence Model developed by E.F.Q.M.[xvii] The scoring guidelines which accompany the Model's use for awards (and self assessment) suggest that a best practice approach is one which is 'soundly based, systematic, focused on prevention, reviewed for effectiveness, improved on a regular basis, and recognised as a role model by other organisations. Regardless of the precise definition, the term best practices has come to describe those organisational practices recognised as superior to known internal and external alternatives, and which may provide an explanation for significant variations in performance between otherwise similar organisations and organisational sub-units (i.e. departments, divisions, business units).

2.2.3 Enablers of Best Practice

Before discussing the relationship between best practice and organisational performance, it is worth briefly considering the concept of 'enablers' and their link to best practice. This distinction is considered very important in the benchmarking literature (see for example Camp, 1989; APQC, 1993; Watson, 1993), though it is often muddied in practice, as some practitioners and authors confuse the terms best practice and enablers, or simply use them interchangeably. Enablers can be generally defined as 'the supply of means, knowledge, or opportunity to do something' (Camp, 1989:196). In the context of best practice, they are a 'broad set of activities that help to enhance the implementation of a best practice' (APQC,

1993:10). As such, they can be critical to the successful transfer of practices between and within organisations (APQC, 1993:10). As Camp (1989:196) points out: 'the benchmark practices are specific new methods or practices that require a change to meet a stated goal. Enablers are a broad set of activities that enhance implementability'. To achieve the goal, the practice must change. The enabler may assist in the effective achievement of that goal. Enablers are not the primary drivers, but rather are the underlying factors, which assist or enable the best practice to deliver superior performance.

The concept of enabler can also be related to the best practice transfer and resource theory literature. The concept of an enabler of best practice may be considered similar to what Szulanski (1993a:49) calls the "tacit component" of the practice. This tacit component may be the hardest to identify and replicate. From the perspective of resource theory, this tacit dimension may reflect the organisation's prior level of learning, investment, and development activity (Peteraf, 1993:183), or could relate to what Dierickx and Cool (1989) (see also Rumelt, 1984, or Powell, 1995) call the "interconnectedness of assets" (or resources). In other words, an asset/resource's (or in this case a practice) successful use depends on a complementary resource, which may not be acquirable or easily imitable . It could also reflect the organisation's culture, norms, and values and the like, which are themselves a reflection of the organisation's accumulated learning (Cole, 1994:66). The relative importance of the enablers to the impact of the best practice on organisational performance will vary from context to context (Camp, 1989, APQC, 1993). The complexity of the relationship between the enabler and the best practice may also add to what is referred to as 'causal ambiguity' (Rumelt, 1984:562; Szulanski, 1993:21). That is, it is difficult to disentangle cause and effect, because the link between the enabler and best practice is unclear, and their respective marginal contribution to performance is ambiguous. In subsequent sections, these and other barriers to the replication of best practices are explored in more detail.

2.2.4 Conceptual Link Between Best Practice and Performance

Before examining the process by which best practices are transferred between and within organisations and the potential benefits to be gained from doing so, it is useful to briefly examine the link between best practice and performance. That is, is there a positive relationship between the application of best practice and improved performance? The intuitive response is 'Yes'- with the usual disclaimer- 'everything else being equal'. The

issue can be addressed from several perspectives. First, as illustrated above, Taylor, and later, the founders of quality management believed there was a clear link between best practice or best methods and 'performance'. In Taylor's day, performance meant efficiency, and the better the practice, the more efficient the production. Modern quality management thinkers share this view, though they have expanded the definition of performance to include effectiveness, i.e. quality and meeting customer requirements. For example, the Deming (1983, 1986) 'chain reaction' clearly illustrates the important and fundamental linkage between practice and performance. Deming believed that greater profits in the long run came from increased market share, which, in turn, came from improved quality (i.e. customer delight). Improved quality came by improving the 'system' of design, production and delivery. Improving the capability and reducing the variation of these processes achieved improvement. This improvement came, in part from the development of best practice (i.e. those practices which brought a process under the greatest degree of control). A similar logic is at the heart of the Ishikawa/fishbone diagram, which suggests that 80% of quality problems can be traced to methods/practices, materials, machines, and manpower. Control and improve these elements of the 'system' and overall system performance is enhanced (Deming, 1983, 1986; Juran, 1988; Ishikawa, 1985)

More recent thinking on quality and business excellence, represented by the Excellence Model, which serves as a framework for the European and British Quality Awards, also assumes a fundamental link between the application of best practice and superior performance. For example, the Excellence Model is divided into two parts, enablers (i.e. practices) and results (i.e. performance). It postulates that 'business excellence' (a combination of financial and non-financial results- see also the Award guidelines) is achieved through customer satisfaction, employee satisfaction, and a positive societal impact, which in turn are enabled by the application of best practice approaches in the areas of leadership, policy and strategy, people management, resource allocation, and process management. While using slightly different terminology, the Baldrige Award used in the U.S. makes similar assumptions concerning the link between best practice and performance (see Baldrige guidelines, N.I.S.T.). The quality awards also emphasises the importance of continuously searching for, and deploying, best practice. The EFQM scoring guidelines for the enablers section, for example, asks an examiner to assess, first, the quality[xviii] of an organisation's approach or practice, and then to assess the extent to which it is systematically deployed or diffused across and through the organisation (EFQM, 1997).

Recently, the scoring mechanism has been further refined to include learning and review activities designed to continuously improve the approach. This could include internal sharing of the practice, and/or external benchmarking. The combination of approach, deployment, and review determines the score awarded. The Baldrige scoring mechanism requires similar judgements on the part of the examiner. In addition, both awards explicitly require organisations to benchmark their results and if selected for an award to share their experiences with other interested organisations (Camp, 1995; Hackman and Wageman, 1995; N.I.S.T., EFQM; Watson, 1993)

In the strategic management literature, resource theory also provides support for the positive link between practice and performance. The resource based view (see for example Black and Boal, 1994; Peteraf, 1993; Barney, 1986,1991; Dierickx and Cool, 1989; Lippman and Rumelt, 1982; Rumelt, 1986; Nelson and Winter, 1982; Powell, 1995) marks a significant shift in strategic management thinking away from a micro-economic focus on industry structure and positioning vis-à-vis competitors popularised by Michael Porter in works such as Competitive Strategy (1980) and Competitive Advantage (1985). In its place, resource theory offers an emphasis on internal, heterogeneous, firm specific factors or resources as the source of potential competitive advantage. As Powell (1995:15) explains, resource theory asserts that economic rents and sustainable competitive advantage may stem from any strategic factor - internal, external, economic, behavioural, tangible, or intangible. Resources, as defined by Barney (1991:101), are:

> *All assets, capabilities, organisational processes, firm attributes, information, knowledge, etc. controlled by the firm that enables the firm to conceive of and implement strategies that improve its efficiency and effectiveness.*

Grant (1991) suggests six basic categories of resources: financial, physical, human, technological, reputation, and organisational. Similarly, Barney (1991) proposes three general categories of firm resources:

- Physical capital resources
- Organisational capital resources
- Human capital resources

Resources qualify as "strategic" if they meet the criteria of value, rarity, inimitability, non-substitutability, and organisational orientation (Black and Boal, 1994; Barney, 1992). Under the general heading of the resource-based view, a number of

firm-specific, potentially strategic resources have been identified. These include:

- Learning (Senge, 1990; Garvin, 1993)
- Know-how (Hall, 1992)
- Process improvement and cycle time reduction (Stalk and Hout, 1990)
- Attributes of T.Q.M.. (Powell, 1995)
- Core competencies (Hamel and Prahalad, 1994)
- Trustworthiness (Barney and Hansen, 1994)
- Ability to collaborate/co-operate with strategic partners (Jarillo, 1988; Jarillo & Stevenson, 1991; Kantor, 1990, 1990a; 1994; Johnston and Lawrence, 1988; Gomes-Casseres, 1994; Reve, 1994)
- Appropriative capabilities (Nelson, 1991; Szulanski, 1993, 1993a, 1995, 1996).

Differing levels and configurations of these strategic resources can help to explain differences in firm performance, not attributable to industry factors. This perspective, is not altogether dissimilar to the focus on internal work processes emphasised by the total quality management or benchmarking literature- both represent a significant shift in management thinking away from industry factors and competitive positioning towards internal, firm specific factors (Powell, 1995:15). To the extent that specific best working practices can be considered strategic resources, they may contribute to the generation of economic rents and competitive advantage. Likewise, the ability to find, implement, and diffuse best practice, not just particular practices, may represent a potential source of competitive advantage (Jick et al, 1993).

2.2.5 An Empirical Link Between Practice and Performance

As illustrated in the previous sections above, the conceptual and intuitive links between the application of best practice and performance are relatively strong. There is also strong empirical support for the link between best practice and performance, some of the strongest of which comes from two recent studies conducted by IBM Consulting Group/IBM and the London Business School/LBS (IBM/LBS 1993, 1994)[xix]. These studies tested a model (depicted in Figure 2.2), which proposed a positive correlation between the adoption of a range of best practices[xx] and superior performance. The model considered best practice and performance across six areas:

- Quality
- Concurrent engineering
- Lean production
- Manufacturing systems
- Logistics
- Organisation/culture

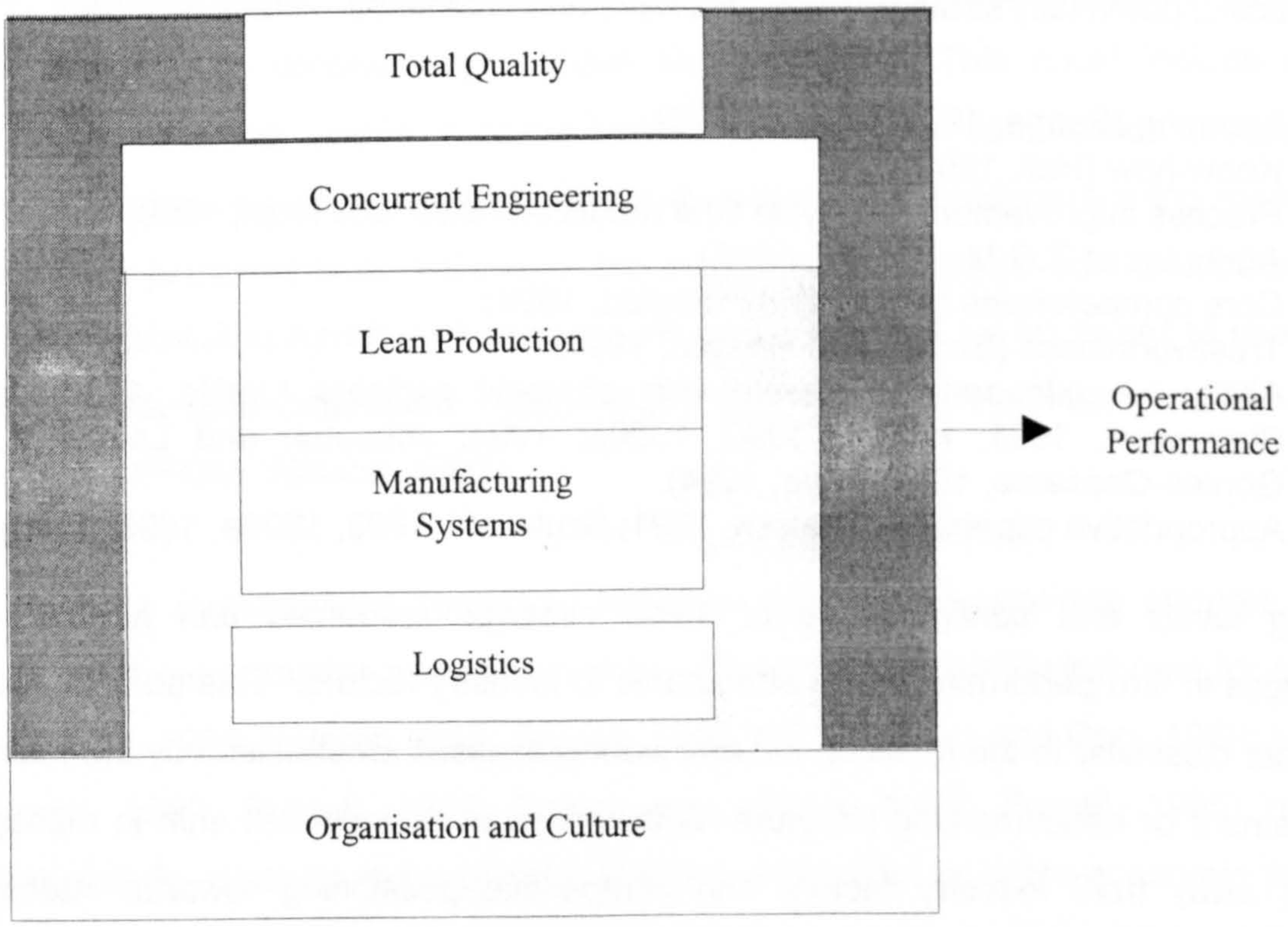

Figure 2.2 The IBM/LBS Practice-Performance Model (From IBM/LBS 1994)

A five-point scale was used to evaluate the level of practice and performance in each of these areas. The researchers found that in each of these areas, and in particular, in the areas of quality, lean production, and logistics, there was a positive correlation between the application of best practice and levels of performance. The study also created a 'practice-performance index' made up of a composite of practice and performance across the six practice/performance areas. This enabled the researchers to conclude that over 50% of the overall variation in performance could be explained by differences in the application of best practices (IBM/LBS 1994:13). More precisely, within the sample taken, the study found a significant percentage of the variation in performance between organisations could be explained by the application of superior working practices. This is significant, particularly in the light of estimates by Black and Boal (1994), that industry factors, such as those cited by Porter (1980, 1985), are successful in explaining only 8-15% of variation in performance between firms.

Several important caveats to the results should be noted.[xxi] First, the study did not attempt to link any one of the six practice categories to standard indicators of financial performance. Therefore, it was not possible to conclude from the published results that there was a strong positive relationship between the application of best practice in specific areas (e.g. quality,

concurrent engineering, lean manufacturing) and financial performance. Likewise, only limited data is presented in published materials, which might show the link between a specific practice (as opposed to categories of practice) and performance. Similarly, no attempt was made to link the overall practice index (comprising practices across all six areas) to standard financial measures of performance. Therefore, it is not possible to conclude that the group of potential best practices represented in the model positively related to financial performance, or that they explained significant variation in financial performance between organisations. In addition, the model did not discuss the relationship between categories of performance (e.g. lean production, manufacturing systems, etc.) or the overall performance index and financial performance. Therefore, it was not possible to conclude that there was a link between non-financial measures (either specific, or an index) of performance and standard financial indicators. Thus, it is not possible to conclude from the study that, for example, if quality practice (or a specific practice) contributes to quality performance, and quality performance contributes to financial performance, then quality practice (or a specific practice) contributes to financial performance. Finally, the study also found that in a significant proportion of the organisations studied, (approximately 28%), the link between practice and performance was not very strong (IBM/London, 1993:8). That is, they found companies employing good practice to little effect, as well as companies with little evidence of good practice getting good results. They labelled these companies as either 'promising' or 'won't go the distance'. It is worth pointing out that the study was not longitudinal and would therefore not account for potential time lags between application of best practice and performance results. Despite these limitations, the IBM/LBS studies provide some of the more compelling empirical evidence of the link between practice and performance.

Support for the link between practice and performance can be found in the work of Powell (1995) who examined the link between T.Q.M.. practices and financial performance. Powell concluded (p. 29) that T.Q.M.. could produce economic value, in some cases, and that particular practices such as executive commitment, open organisational structures, and employee empowerment were most critical to T.Q.M.. success. Interestingly, benchmarking did not have an impact in Powell's study. The work of Szulanski (1993, 1993a, 1995, 1996) also lends support to the practice performance link. In his study of internal best practice transfer, Szulanski states that performance gaps, between otherwise comparable units, can typically be in the range of 200% (see also Chew et al., 1990; Hayes and Clark, 1985).

These gaps, he argues, are largely the result of best practice, and can often be remedied by successful internal transfer of existing knowledge. In his study, he found gaps of up to 10 to 1 in comparable units. In addition, according to Szulanski (1995:12) Robert Camp, a leading benchmarking expert has indicated that gaps of 200% to 300% were typical during benchmarking studies. Finally, the CBI study, cited at the outset of this dissertation suggests that a nearly 300 billion pound GDP performance deficit exists because UK organisations have failed to apply best available practices.

The work of Camp (1989, 1995) and other leading benchmarking experts, for example Watson (1992, 1993), APQC (1993), Zairi (1992) Spendolini (1992), also provides additional empirical support for the link between practice and performance. Even the title of Camp's first book, Benchmarking: The Search for Industry Best Practices Which Lead to Superior Performance, highlights the fundamental assumption made about the link between best practice and superior performance. In this book, Camp relates his personal experience of process benchmarking in the warehousing function, and, in particular, the order picking area. During the study, LL Bean, a U.S. mail order camping and sportswear company, was used as a benchmarking partner. The study found that on several key measures of productivity LL Bean were as much as three times better than Xerox, Camp's employer. Camp and other members of the Xerox team concluded that these differences in performance could only be explained by Bean's application of significantly better practices. Because of the benchmarking exercise, the team attempted to replicate a number of these practices at Xerox.

2.2.6 Inherent Difficulties in Establishing the Link Between Practice and Performance

The rest of the benchmarking literature, discussed in detail later, is also replete with reports of significant improvements in business processes, customer service, organisational performance, and the like resulting from the application of 'benchmarking' to find and implement best practice. Similarly, there have been a number of attempts by authors to establish the link between T.Q.M.. (a group of best practices) and financial performance (see Hackman and Wageman, 1995 or Powell, 1995 for a review). Many of these have claimed to show a positive link between T.Q.M. performance and business results. Unfortunately, attempts to link practice to performance, particularly to financial performance, can run into some fundamental difficulties. As Hackman and Wageman (1995) illustrate in their examination of TQM, it is very difficult to link the application of any specific, single or

package of best practice(s) with global organisational outcomes, particularly those of a financial nature. They suggest (1995:322-324) four reasons for the difficulty of empirically linking practice or packages of practices (e.g. T.Q.M..) to global organisational outcomes. These are:

- **Measurement problems**- associated with standard indices of firm performance
- **Exogenous disturbances**- i.e. market and industry factors which distort impact of an intervention or practice[xxii]
- **Temporal issues**- which may disguise intervention-outcome relationships, and short run-long run differences which may exist as a result of learning curve effects
- **Attribution problems**- i.e. mistake cause and effect, attribute improved performance to the intervention or practice, rather than some other, perhaps more likely explanation

As a result, it may be difficult at best, to link specific practices or packages of practices with global measures of organisational performance. They suggested, instead, that research should focus on evaluating the 'intermediate' impact of TQM on what they called (p. 312) 'process criteria of effectiveness', (i.e. willingness, ability, opportunity of members of the organisation), rather than global or end outcomes. If the impact on these criteria is positive, then the impact on global measures will be positive (over time, everything else being equal, etc.).

One of the key strengths of the IBM/London studies is the limited nature of the claims made regarding the link between practice and performance. Perhaps wisely, the authors do not try to link practice to financial performance. Unfortunately, much of the TQM (and benchmarking) literature is not so circumspect, and often compounds the inherent difficulties of linking practice to performance by not applying generally accepted standards of rigour, or failing to perform appropriate manipulation checks i.e. determine whether the intervention was actually 'TQM' or something else (Hackman and Wageman, 1995; Powell, 1995). This problem is particularly acute when researchers have attempted to link the application of T.Q.M.. and related quality management practices, including benchmarking, to improved organisational performance[xxiii] (Powell, 1995; Hackman and Wageman, 1995). Unfortunately, as Powell highlights (1995:18), while most of the existing empirical studies concluded that T.Q.M.. provides economic value[xxiv], too often they were carried out by consulting firms and quality associations with a vested interest in the outcome, and/or did not conform to generally accepted standards of methodological rigour. In addition, as Hackman and Wageman (1995)[xxv], note, most researchers did not bother to carry out a

check to see if 'T.Q.M..' had actually been applied (rather than some pale imitation of it), before attempting to evaluate its impact. Thus, any conclusion regarding a positive, negative, or indifferent impact of 'T.Q.M..' practices on organisational performance can generally be considered inconclusive.

In time, perhaps researchers will use (or gain access to) the extensive databases of the national and international quality foundations such as the EFQM, British Quality Foundation, or the National Institute of Standards and Technology (Baldrige)[xxvi]. Each of these bodies has extensive data on the level of practice and performance for a number of companies (i.e. all applicants for a quality award). For example, this would allow researchers to systematically examine the link between the enablers and results within the Business Excellence Model, or test the relationship between enablers and financial performance or any of the results criteria to standard measures of financial performance. Both could lend significant empirical support to the link between practice and performance, as well as address some of the methodological difficulties cited by Hackman and Wageman.

2.2.7 The Potential Impact of Transferring Best Practice

Given the link between practice and performance, it would make sense for an organisation to attempt to apply existing best practice as widely as possible in order to gain maximum benefit from existing knowledge. Best practices may exist outside the organisation, not yet discovered or transferred. Likewise, a best practice may currently be employed within the firm, but may not yet have been transferred (or in Jick et al's, 1993 terms- 'generalised') across appropriate internal organisational boundaries. Failure to fully utilise existing knowledge and best practice may represent a significant opportunity cost (Szulanski, 1993, 1995, 1996), just as the failure to fully utilise physical, financial, or human resources represents a dead weight loss. As highlighted above, this opportunity cost manifests itself in the form of significant performance gaps between otherwise comparable units (Szulanski, 1993, 1995, 1996; Chew et al. 1990). Furthermore, the failure to apply best practice may have a 'knock on' effect. That is, because of the absence of best practice, complementary resources may also not be used to their full potential. By applying best practice, the contribution of these resources may be enhanced.

The opportunity cost perspective can be usefully extended outside the direct context of the organisation to members of the immediate supply chain and the extended network of

organisations, which feed this chain. This is a similar logic to maximising the performance of a supply chain, as opposed to individual members of the chain. Failure to fully replicate existing best practices across the supply chain may represent a significant lost opportunity to members of the chain, influencing the supply chain's ability to compete, and contributing to Pareto inefficiency within the entire chain. Similarly, at a regional or national level, the failure to utilise existing knowledge and best practice may represent significant opportunity costs which may be reflected in lost productivity, reduced regional or national output, and, more generally a loss of competitiveness (see also Camp, 1995; Watson, 1993; CBI, 1997). The CBI (1997:4) has estimated that the cost of failing to transfer best practice costs the U.K. manufacturing sector around £60 billion in lost GDP. When this is extrapolated to the rest of the U.K. economy, the loss in GDP rises to around £300 billion (p.4). In addition, valuable organisational resources may be diverted from more productive uses to the task of reinventing solutions/practices which could, in many instances, be efficiently adapted from, (or at least inspired by) existing examples of best practice.

Given the potential benefits to be gained from the transfer of best practice, a number of national initiatives such as Inside U.K. Enterprise, The Benchmarking Challenge, and the National Benchmarking Service/Index (Launched in 1996 by the DTI), amongst others, have been designed to encourage the diffusion and transfer of existing best practice between organisations. Benchmarking is one of the key mechanisms used by these initiatives to promote best practice transfer. Regional-level initiatives, such as the Manufacturing Challenge, Inside Northeast Enterprise, and the Group Benchmarking Project, discussed here, share the objectives of promoting best practice transfer, using benchmarking and related activities. By highlighting best practices and the potential benefits to be gained and by promoting activities like benchmarking and quality networking, initiatives such as the Group Benchmarking Project may encourage the discovery of performance gaps, as well as the practices which contribute to the observed gap. This, in turn, may lead to the transfer of best practice, and ultimately to improved productivity, output, and competitiveness at the level of the firm and the national economy.

2.3 HOW BEST PRACTICES TRANSFER

In order to design, implement, and refine a group benchmarking process, an understanding of how practices transfer between organisations, as well as what factors encourage or impede the transfer process was necessary. This understanding was gained by examining

the literature on best practice transfer, and in particular the work of Gabriel Szulanski (1993, 1993a, 1995, 1996) at INSEAD. Szulanski's study of 122 transfers in eight large, multi-site organisations[xxvii] introduced a four stage model of the transfer process, and developed and tested a model of the potential determinants of 'stickiness' in the internal transfer of best practices. His work was based on previous research in a number of areas, including the diffusion of innovation (e.g. Zaltman et al, 1973; Pennings and Harianto, 1992), technology transfer (e.g. Arrow, 1971; Rogers, 1983; Ounjan and Carne, 1987; Galbraith, 1990), resource theory (e.g. Barney, 1991; Grant, 1991 Peteraf, 1993; Powell, 1995), and organisational learning (e.g. Levitt and March, 1993, Cole, 1994, Jick et al, 1993). Although his framework was tested in an intra organisational setting, the research upon which it is based was generally conducted in an inter-organisational context. Therefore, there is no reason to suspect that the findings would not provide useful insights in relation to the study of inter-organisational best practice transfer. In the following section, Szülanski's four stages model of the transfer process is explored. This is followed by a discussion of the factors, which can impede the transfer of best practice, identified in the diffusion of innovation, resource theory, and organisational learning literature.

2.3.1 Overview of Szulanski's Conceptual Framework

According to Szulanski (1993a; 1993, 1995), the transfer process consists of four sequential stages during which the practice is transferred or replicated from one organisational setting to another. (See Figure 2.3) He likens the transfer process to the transmission of a message from a single source to a single recipient. This is described as a 'dyadic' exchange and can be contrasted with the situation in which the practice is diffused or broadcast from a single source to a large population of recipients. In this case, the message being communicated is a work practice, which is currently employed by the source, but not utilised by the potential recipient. In the language of benchmarking, the recipient is the organisation undertaking the benchmarking exercise, while the source(s) are the role model organisations achieving the benchmark level of performance using best working practices. The transfer process begins with the recipient's awareness of the existence of the best practice and the opportunity to transfer it. Stage 2 includes the exchange of resources and knowledge between the two parties to support implementation of the new practice. Adaptation of the practice to the new organisational setting constitutes stage three. Institutionalisation and integration of the practice in its new setting completes

the process. During each of these stages, a number of sub-processes and activities become important. These sub processes are also illustrated in Figure 2.3 below.

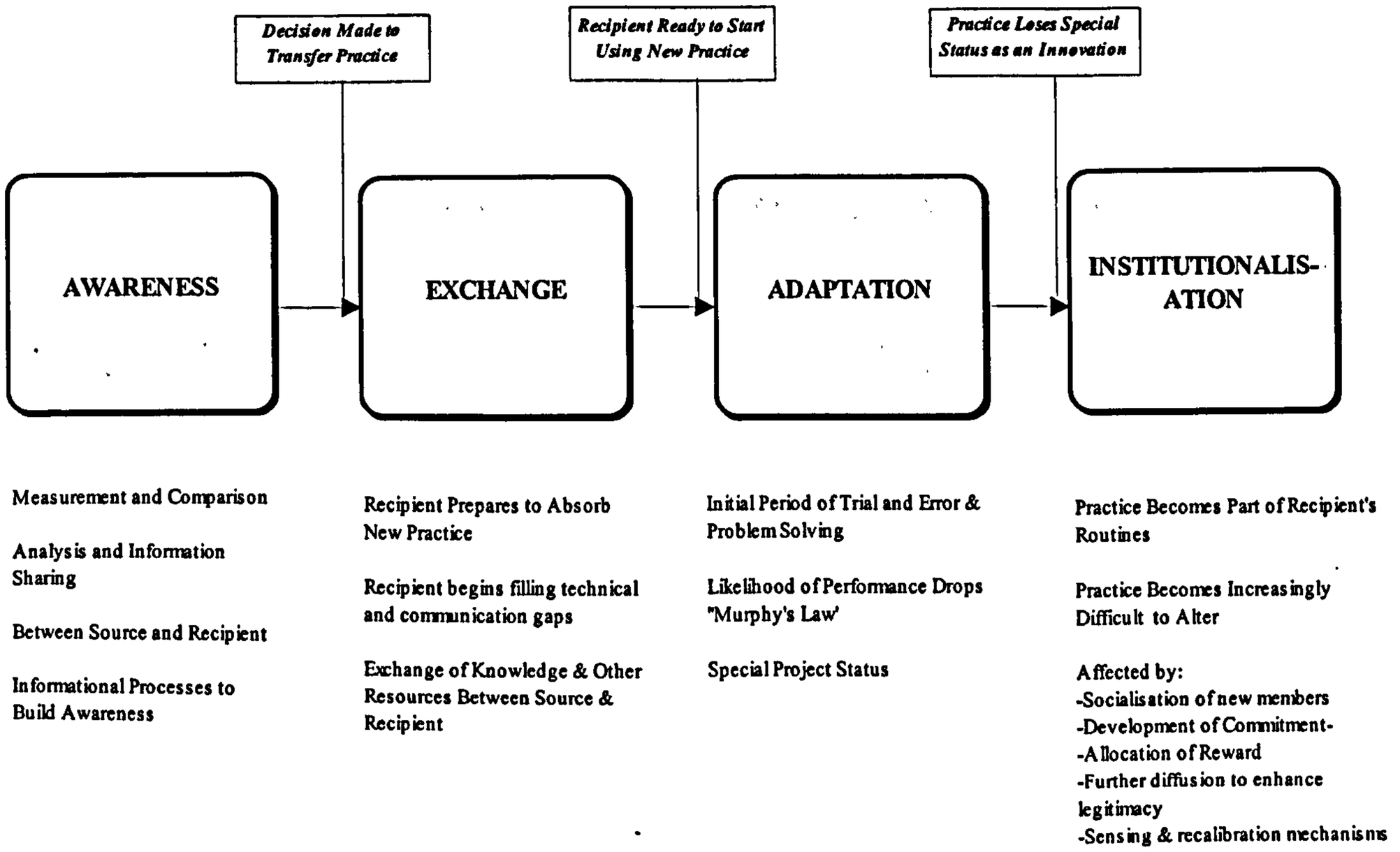

Figure 2.3: Szulanski's Model of the Transfer Process (Szulanski, 1993, 1993a)

2.3.2 Stages of the Transfer Process: Awareness, Exchange, Adaptation and Institutionalisation

During the awareness stage, the decision whether or not to attempt a best practice transfer is made. This decision is dependent upon, amongst other things, the recipient being aware of the existence of better results and the reason(s) for the better results, as well as awareness (on the part of the source of the practice or a third party) of other parties, which might benefit from the best practice's use. Szulanski (1993a) suggests it is less than clear whether a perceived gap in performance initiates the search for best practices, or whether the discovery of a potential best practice causes the organisation to adjust its performance expectations leading to the perception of a performance gap and hence efforts to close the gap. Models of organisational learning suggest organisations change as the result of search processes, which are triggered by performance, which falls below aspiration (Lant and Mezias, 1990). Regardless of which comes first, Szulanski (1993:7-9) identifies two processes, which are important to the awareness stage. The first is measurement and comparison, which develops awareness of performance gaps and may encourage organisational search for alternative work practices to fill this gap. The rise of fact-based

management programmes such as TQM and benchmarking, have enhanced managers' ability to make meaningful performance comparisons within and across organisational boundaries (Szulanski, 1996:27). Measurement and comparison are accompanied by analysis and information sharing by both the source and recipient. To understand the underlying reasons for a source's superior performance, the recipient must thoroughly understand its own practices. Similarly, the source of the practice must also understand its performance-practices relationship, as practices may be undocumented, so entrenched as to not be fully understood, or the connection between the results and the practices unclear or ambiguous (Szulanski, 1993:7-8). These processes are coupled with what Szulanski calls "informational processes" which help establish awareness within the recipient of results and the best practices underlying the results. He cites as examples, amongst other things, company newsletters, internal conferences and conventions, task forces, as well as more indirect informational processes such as personnel rotation, organised site visits, and continuous improvement efforts. The awareness stage concludes with the decision to begin the transfer of the relevant best practices.

Stage two of the transfer process begins with the decision to transfer the best practice and ends with its implementation as standard operating procedure in a new organisational setting. Szulanski (1993:9) conceives of this stage as a process of filling both the communication and technical gaps, which might impede implementation of the practice. During exchange, human, physical, and intellectual/knowledge resources flow between the source and recipient, the flow of which may be multi-directional (recall Boxwell's collaborative benchmarking). In order to effect smooth flow; the communication channels between the source and recipient must be open. At the same time, the recipient may need to prepare itself technically to absorb the new practice by, amongst other things, retraining personnel, acquiring new equipment, or developing new systems. Of particular interest is Szulanski's suggestion that classification of exchanges could be made in terms of the role played by the recipient, i.e. whether it plays a passive role in the exchange, or is the active player, driving the exchange (see Szulanski, 1993:10). Similarly, he notes exchanges could be categorised in terms of how far the source goes to meet the recipient, i.e. at what point the hand-off occurs. Szulanski does not speculate or attempt to explain what impact the 'type' of exchange might have on the transfer process. This research, though, is interested in the roles of the source and recipient in the transfer process, and particularly whether they are relatively active or passive during the exchange stage. The extent, to which the source

meets the recipient halfway or beyond and positively assists the recipient with the best practice exchange, could be one measure of the level of co-operation between the two parties. The factors, which encourage co-operation and the impact of the co-operation between the source and recipient on the transfer process, form part of the focus of this research. The ability of the group benchmarking process to create a co-operative source-recipient relationship (in an inter-organisational context), characterised, in part by the active participation of both parties in the exchange stage of the transfer, will determine whether it produces a positive impact on the transfer efforts of network members.

The exchange stage of the transfer process is followed by a process of adaptation of the best practice to its new organisational context. Szulanski (1993a:48) describes this stage as one of 'fine tuning' the practice to its new context. During the exchange stage, some of the groundwork to smooth adaptation may have been laid. Some anticipated problems might have been solved, potential conflicts resolved, and/or anticipated training requirements met. However, as Chew et al (1991) point out, Murphy's Law has a tendency to come into play during transfer attempts. If something can go wrong, it inevitably will. In some cases, the organisation may take one step forward, followed by two steps back. The result is a process of "groping" during which the practice or the organisational setting may undergo further alteration and adaptation attempts (Szulanski, 1993:11). Performance losses following adaptation may be expected (Chew et al, 1991; Szulanski, 1993), resulting from residual confusion about the nature of the practice and its new context, changes in personnel, cultural barriers, etc. (Szulanski, 1993:12). Adaptation might be described as a period of trial and error and learning by doing. The initial performance loss may be exacerbated by learning curve effects. Research on organisational learning has shown production costs generally decrease (or performance improves) with cumulative production volume, as a result of, amongst other things, customer feedback about how and what to improve and the development and refinement of production skills (Levitt and March, 1988:321). Thus, after the initial disruption to performance resulting from the introduction of the new practice, a period of learning, dependent upon cumulative usage of the practice, will determine, in part, whether the new practice fulfils its original potential.

Szulanski refers to the final phase of the transfer process as institutionalisation. During this time the practice, loses its status as an 'innovation' and becomes part of the recipient's 'routines' (Szulanski, 1992:14). Of critical importance during this phase is the maintenance

of a 'truce' in intra-organisational conflict (Szulanski, 1993:14). This allows the practice to become more firmly entrenched and routinised, making it increasingly impervious to attempts to alter or remove it. Szulanski (1993a:48) postulates five process which determine the institutionalisation of the practice:

- Socialisation of new members of the organisation to use of the practice
- Development of commitment amongst organisational members to the use of the practice
- Allocation of rewards in line with continued use of the practice
- Diffusion of the practice to further legitimise its use
- Sensing and recalibration mechanisms, which restore equilibrium and routine operation and use of the practice

The process of institutionalisation is on going. It ends when a new practice(s) arise(s) to take the place of the institutionalised practice, and the transfer process begins anew. During this phase, the importance of the relationship between the source and recipient fades away. The source would appear to have little impact neither on the maintenance of an organisational truce, nor on the five processes believed to determine institutionalisation of the practice. However, the source and recipient relationship may increase the possibilities of the recipient (or source) becoming aware, in future, of further transfer opportunities.

2.4 Barriers to the Transfer of Best Practice

Economists once assumed that organisational knowledge and practices, e.g. production functions, could be 'automatically' replicated or transferred across organisational boundaries (Arrow, 1962, Nelson and Winter, 1982, Rumelt, 1984, Szulanski, 1993, 1993a, 1995; Nelson, 1981; Teece, 1977). In essence, they considered knowledge and best practice to be akin to a public good, freely available to any organisation, or part thereof that wished to apply it. Fredrick Taylor had similar ideas about the simplicity with which practices could be transferred. He believed it was simply a matter of finding the one best method, teaching that method to the supervisor, and ensuring the supervisor taught it to the workers, who then did as they were told (Cole, 1994). Unfortunately, practical experience does not support the 'public good' perspective. The experiences of Henry Ford and General Motors cited earlier suggest that efforts to transfer existing practice can be fraught with difficulties, and in some cases fail completely. These are not isolated incidents. As Porter (1985:352) notes:

> *The mere hope that one business unit might learn something from another is frequently a hope not realised.*

Similarly, as Jick et al (1993:52) point out in their discussion of 'learning capability'[xxviii] 'too often centres of excellence become sequestered 'showcases'. In other words good ideas, good practices, systems and the like are not replicated across organisational boundaries, and as a result, organisations fail to make full use of their existing resources. The existence of performance gaps in the order of 10 to 1, between otherwise comparable units, and internal benchmarking studies, which uncover 200% to 300% gaps in productivity further, underscore how practices may stubbornly resist transfer attempts. As many benchmarking experts (see for example CCI, 1993; Zairi and Leonard, 1994; Watson, 1993; Coopers and Lybrand, 1993; 1994; Camp, 1995; Andersen and Camp, 1995) will testify, a majority of benchmarking efforts[xxix] fail to result in the transfer of best practices from the source to recipient organisation. The IBM/LBS survey mentioned above (IBM/LBS, 1994) found only 2% of organisations sampled to have reached world class status, defined by the authors as world class practices coupled with world class performance. The vast majority of organisations struggled both to fully implement recognised 'best practices' and to achieve world-class results. And finally, the CBI findings, cited above, which indicate a potential net gain to the UK economy of nearly £300 billion by adopting existing best practice, begs the question of what is standing in the way of organisations adopting it.

2.4.1 Szulanski's Conceptual Framework

The question of why the transfer process is not automatic has been addressed in recent research conducted by Szulanski (1993, 1993a, 1995, 1996). An understanding of his research, and the work underpinning it, was very important in helping shape the design of the group benchmarking process, as well as in understanding some of the difficulties it encountered. In the following section, Szulanski's model of stickiness is reviewed. In subsequent sections, the literature upon which his research is based (i.e. diffusion of innovation and resource theory) is briefly discussed.

In his research, Szulanski develops and tests a model of 'stickiness' or eventfulness in the transfer process which helps explain what factors determine whether a best practice transfer is more costly, more time consuming, and/or less beneficial than initially anticipated by key parties to the transfer (i.e. the source and recipient). Figure 2.4, below, depicts Szulanski's model. Stickiness does not necessarily mean complete failure to transfer best practice nor does it refer to an absolute amount of time or cost, which serves as a threshold beyond which a transfer is considered eventful. Instead, it is a relative term which refers to

deviation from the parties' expectations in terms of cost, benefit, or time required to transfer. In essence, he is examining the efficiency and effectiveness of the transfer process from the perspective of those involved, i.e. the customer and supplier. The criteria used to measure the transfer process are consistent with standard measures of the efficiency and effectiveness of business process performance used by many organisations and discussed in business improvement texts (See Schonberger (1986), Harrington (1991), Zairi (1992) for a discussion of business process measurement).

According to Szulanski (1993, 1993a, 1995, 1996)[xxx] the determinants of stickiness may originate from the following sources:

- the source of the best practice
- the recipient of the best practice
- characteristics of the practice itself
- the organisational context in which the transfer occurs

Stickiness related to the source of the practice comes from two primary areas (Szulanski, 1996:31). For example, the source may be unmotivated to support the transfer. This reluctance to share knowledge may be influenced by the lack of incentives or rewards to share knowledge, or could reflect a 'knowledge is power' culture within the organisation. At the same time, the source may be perceived as 'unreliable' or untrustworthy by the recipient, thus making it less likely that a transfer would be attempted. Characteristics of the recipient also influence the transfer process (Szulanski, 1996:31). For example, the recipient of the practice may be unmotivated to accept outside knowledge. This is what practitioners refer to as the 'not-invented-here' syndrome. The recipient may also lack what Szulanski (1996:31) calls 'absorptive capacity'. Absorptive capacity means the ability to absorb and put into practice new knowledge. It is dependent upon, amongst other things, the prior stock of related and complimentary or supporting knowledge (Szulanski, 1996; Dierickx and Cool, 1989). In addition, the recipient's retentive capacity, i.e. its ability to retain and routinise new knowledge, may also influence stickiness in the transfer process.

The organisational context in which the transfer occurs may also affect the transfer process (Szulanski, 1996:31-32). Organisational context includes the structures, systems, and co-ordinating mechanisms, which may facilitate or impede the transfer of best practice. As an organisation develops experience with the transfer of best practices, systems and process

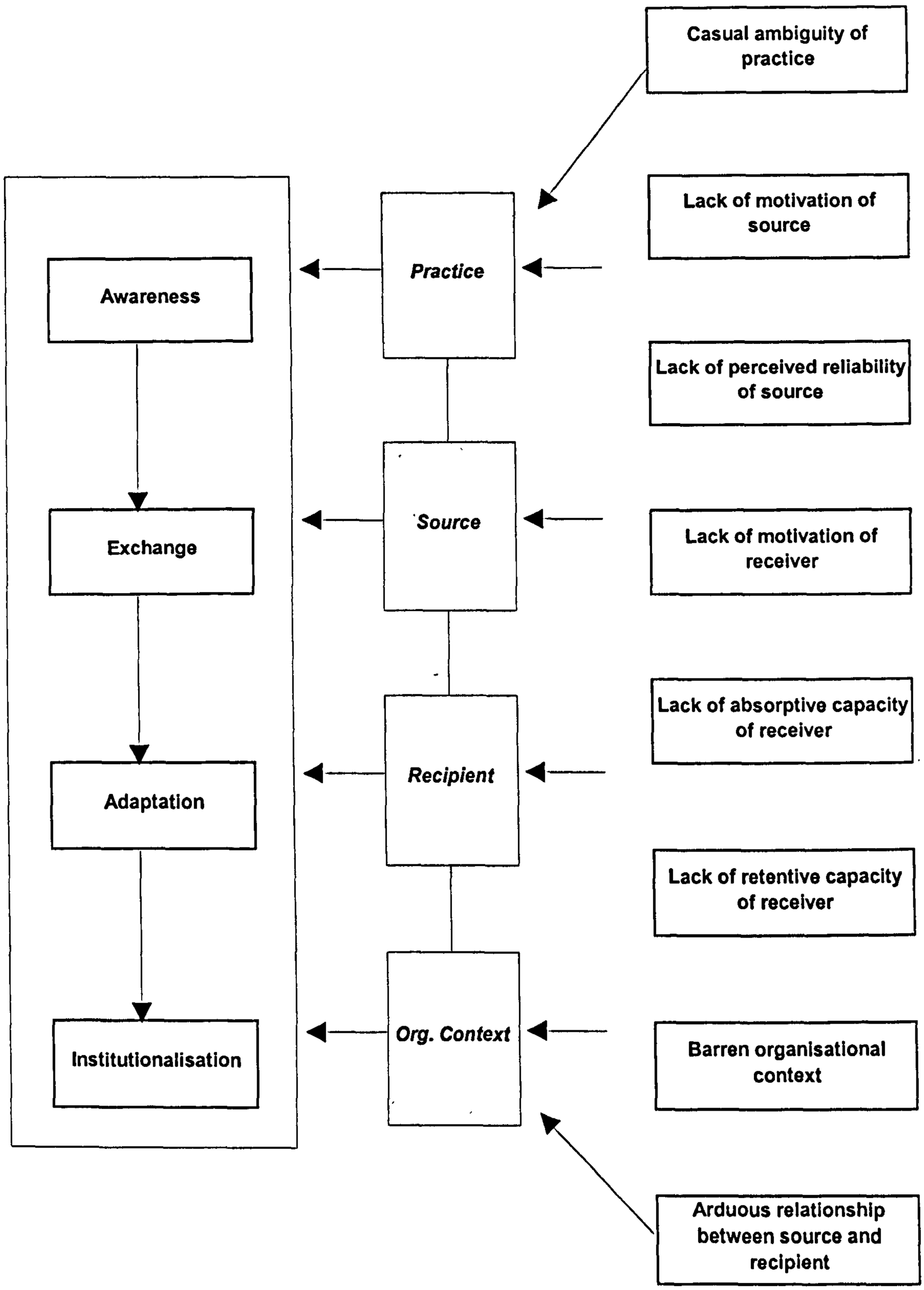

Figure 2.4 Szulanski's Stickiness Framework (Szulanski, 1995, 1996)

may grow to support best practice transfer. In Szulanski's model, context also refers to the relationship between the source of the practice and the potential recipient. As common sense would suggest, an 'arduous' relationship between the two parties is likely to impede transfer efforts. By contrast, an intimate relationship in which both parties trust each other, may facilitate transfer. As Arrow (1974) has pointed out, trust is an important lubricant in most social systems. In the case of best practice transfer, it would also appear to play a key role in facilitating the process. Finally, characteristics of the practice itself, may also affect the stickiness of the transfer (Szulanski, 1993:50; 1996:31). Szulanski (1993) also identifies causal ambiguity (difficulty determining cause and effect), or what he calls (p.50) the "the absence of know-why", as a key source of difficulty in the transfer process. He relates causal ambiguity to a practice's tacitness, complexity, robustness, and integrity. The greater the level of causal ambiguity the less likely a successful transfer will occur.

When Szulanski's (1996:36-37) tested his conceptual model the most important determinants to emerge were of stickiness. These were:

- lack of absorptive capacity
- causal ambiguity
- arduous relationship

Szulanski referred to these determinants as 'knowledge-related factors' because they depended upon either the level of prior knowledge (absorptive capacity), tacit knowledge regarding the practice (causal ambiguity), or the nature of the relationship between the source and the recipient (arduous relationship). These 'knowledge related' factors emerged as significantly more important in explaining stickiness in the transfer of best practice, than the 'motivational' factors related to lack of incentive to transfer (source not motivated, the not invented here syndrome (recipient not motivated), and the like. Because of the research, Szulanski (1996:37) concluded that 'using only incentive systems to mitigate internal stickiness-not unusual in practice- seems inadequate or misled'.

His findings suggest that it might be more profitable to devote scarce resources and managerial attention to develop the learning capacities of organisational units, fostering closer relationships between organisational units, and to systematically understanding and communicating practices. This is precisely what the group benchmarking process tried to do in an inter-organisational context. Organisations learned to benchmark, which could help improve their capacity to transfer best practice. Relationships between organisations were

fostered within the context of an inter-organisation network and small common interest benchmarking groups. The process was applied in a structured plan, do, review, and improve process. Despite these efforts, the immediate outcomes were limited and the process not particularly effective in transferring best practices.

2.4.2 What Encourages the Diffusion of an Innovation or Practice

Summarising the diffusion of innovation literature, Levitt and March (1988:329-330) state that innovations are diffused by three general processes, which are roughly analogous to the way in which a disease (or information) makes its way through a population. These are:

- a single source broadcasts the disease to the rest of the population.
- the disease is spread as non-infected members come into contact with the infected member, or come into contact with an intermediary which has come into contact with the infected member
- a small group (or colony) contract the disease and then spread it to the remainder of the population.

DiMaggio and Powell (1983:149) use the term "isomorphism" to collectively describe these three diffusion processes, which they argue "force one unit in a population to resemble other units which face the same set of environmental constraints". In other words, they are attempting to explain why organisations seem to take on the same organisational routines, practices, rules, structures, etc. DiMaggio and Powell's (1983) explanation for diffusion (see also Zucker, 1986, 1987; Meyer and Rowan, 1977; Granovetter, 1985; Fligstein, 1987) relies on 'institutional' factors such as competition for legitimacy and power, rather than competitive factors or efficiency/effectiveness considerations, to explain much of the observed homogeneity amongst organisations in markets/industries which don't closely resemble perfect competition. They identify three inter-related varieties of isomorphism, broadly corresponding to the three diffusion processes above, which are labelled coercive, mimetic, and normative isomorphism, respectively. DiMaggio and Powell (1983:152) argue that, in the face of increasing uncertainty and complexity, 'organisations tend to model themselves after similar organisations in their field that they perceive to be more legitimate or successful. Consequently, they will often mimic the practices, which appear to bring success in these role-model organisations. As DiMaggio and Powell (1983:151) point out, imitation can often be an economic alternative to an otherwise problematic and costly search for other alternatives. If one assumes limited or boundedly-rationality on the part of organisational decision makers, then in the face of complexity and uncertainty organisations

may employ decision-making heuristics, like imitating apparently successful organisations, to economise on the cost of a more complete search for alternatives.

DiMaggio and Powell (1983) do not deny considerations of efficiency and effectiveness as a rationale for the adoption of innovation, nor that competitive pressures (and consequently pressures for efficiency and effectiveness) contribute to adoption decisions. Rather, they argue that the spread of innovation within an organisational field may be initially driven by these 'rational' considerations, but later adoption often has nothing to do with rational considerations. Instead, the adoption decision may be driven by concerns for legitimacy or pressure to conform to existing norms of 'good practice'. For example, the decision to adopt a particular practice, such as a method of accounting, may be effectively dictated or coerced by the government or by corporate headquarters. Thus, attempts to explain adoption in terms of efficiency and effectiveness would be incomplete, whether or not the result was an improvement in these measures.

Cole (1994), borrowing from DiMaggio and Powell (1983), suggests that conceptually, two primary mechanisms exist for the diffusion of best practices. The first mechanism for bringing about standardised organisational practices is what he describes as 'coercive isomorphism' (Cole, 1994:70). That is, the organisation relies on hierarchical authority i.e. managers and quality control experts, rather than workers, to ensure best practices are diffused and standardised. Once a best practice is discovered, managers and quality specialists ensure it is transferred and implemented throughout the organisation. This, he argues is problematic, adding time and information distortion costs to the diffusion process, as well as limiting the extent of organisational learning, because of the use of third-party specialists (i.e. managers not directly involved in the process) (Cole, 1994:71). Cole contrasts this Tayloristic approach to the diffusion of best practices, with what he calls the Japanese approach of 'controlled normative isomorphism' (Cole, 1994:75). This mechanism for the transfer of best practices uses what he calls 'broadcast technique' to reduce time and inefficiency in the process. Problem solving methods, solutions and failures are 'broadcast' through public presentations by organisational members to their peers and other members of the intra/inter corporate network[xxxi] to enhance probabilities of adoption of best practices. Individuals are also encouraged to learn from each other through peer group problem solving activities. This is often reinforced by personal assessment systems, which evaluate employees' contribution to problem solving and best

practice presentation activities and reward effort and commitment when considering promotion and pay decisions (Cole, 1994:74). Thus, more subtle normative pressures from within peer groups encourage individual learning and the adoption of best practices, rather than the often dysfunctional hierarchical fiat.

2.4.3 Barriers to Diffusion

While Dimaggio and Powell provide an explanation for why organisations imitate each other's practices, diffusion of innovation and resource theory also address the other side of the equation. That is, why don't organisations attempt to adopt particular innovations, in spite of isomorphic and other pressures, as well as why attempts to adopt particular innovations often fail, or the innovations fail to yield anticipated benefits? The diffusion of innovation literature suggests several factors, which may influence an organisation's decision whether to attempt to imitate or adopt an innovation. As neatly summarised and defined by Powell (1995:20-21) in his review of T.Q.M.. adoption decisions, these factors are as follows (see also Rogers, 1983 or Abrahamson and Rosenkopf, 1993):

- **Perceived Relative Advantage**- the extent to which the organisation believes the innovation is superior to current practice
- **Compatibility**- the extent to which the innovation is perceived to be compatible with the adopter's needs, values, and experiences
- **Simplicity**- the extent to which the innovation is perceived by the adopter as understandable and implementable
- **Trialability**- the extent to which an organisation can experiment with the innovation on a trial/limited basis
- **Observability**- extent to which the potential adopter can observe the innovation and its benefits before adoption

The decision to adopt an innovation or a practice, everything else being equal, would then depend on the mix and level of these factors as perceived by the potential adopter.

2.4.4 Role of Homophily

While these factors focus primarily on the relationship between the innovation and the perceptions of the potential adopter regarding the key attributes of the innovation, the diffusion of innovation literature also stresses the importance of the congruence or similarity, between the innovator and the potential adopter, to the adoption decision. This similarity or congruence between the innovator and potential adopter is referred to in the literature as homophily (see Rogers, 1983). Powell (1995:21)[xxxii] defines homophily as "the degree to which innovator and potential adopter share attributes such as objectives, strategies, norms, beliefs, experiences and cultures". Innovations, according to Powell (1995:21) are more

likely to diffuse between homophilious units because the potential adopter and innovator are likely to hold common perceptions of relative advantage, compatibility, simplicity, trialability, and observability. From this perspective, the decision to adopt, is influenced by not only an organisation's perceptions of the innovation, but also its perception of the innovator, which, in turn, seems to influence its perception of the innovation. Thus, the greater the degree of homophily between the innovator and the potential adopter, the greater is the likelihood of a decision to adopt. This is also consistent with Szulanski's finding that an arduous relationship between a source and recipient is a significant determinant of stickiness. At the same time, the degree of homophily can also be linked to the development of trust between organisations, which, arguably, will further encourage adoption of an innovation. As Fukuyama (1995), amongst others, has pointed out, shared norms, values, beliefs and the like (i.e. homophily), are one of the primary bases for the development of trust between two parties (whether it be individuals, or individuals representing organisations). Thus, an organisation is more likely to trust another organisation, which appears to be homophilious. The greater the degree of homophily, other things being equal, the more likely trust will develop. The greater the level of trust between innovator and potential adopter, the more likely it is a decision to attempt adoption will be made.

2.4.5 Resource Theory- Imperfect Imitability and Isolating Mechanisms

A final perspective, which may be useful for understanding barriers to the transfer of best practice, is resource theory. If a firm's resources were easily (or perfectly) imitable or perfectly substitutable by other organisations, then, as Peteraf (1993:182) points out "heterogeneity (would be) a short-lived phenomenon, the rents (from application of the resource) will be fleeting." Instead, conditions of 'imperfect imitability', may often characterise strategic resources, thus allowing these resources, other things being equal, to generate sustained economic rents (i.e. sustainable competitive advantage) (see Barney, 1991, Peteraf, 19993, Black and Boal, 1994). Imperfect imitability stems from, amongst other things, what Rumelt (1984) refers to as isolating mechanisms (see also Powell, 1995; Szulanski, 1995, Peteraf, 1993). According to Rumelt (1984), these isolating mechanisms, include:

- **Time compression diseconomies**- refers to learning curve effects, which accrue as an organisation gains experience using a practice (See also Levitt and March, 1983:321-322). Performance benefits from the application of a transferred best practice may not be instantaneous, but rather develop over time as experience with the practice increases.

- **Historical uniqueness**- also known as 'first mover advantages' may result from an innovator's strangle hold on scarce resources, talent, or other barriers to entry.
- **Connectedness of resources**- relates to the relationship between enablers or complementary resources and the practice being transferred. The practice without the enabler or complementary resource may fail to deliver results as the two are inextricably intertwined (see also Black and Boal, 1994)
- **Causal ambiguity**- highlights the difficulties associated with establishing cause and effect. For example, if superior performance is demonstrated, it may be difficult to establish which practices, or combination of practices and enablers actually drive superior performance.
- **Social complexity**- relates to the limited cognitive capability of managers, (perhaps not too dissimilar to bounded rationality). In other words, the manager may not understand what is contributing to performance because the process is ill defined, complicated, or perhaps subject to significant variation in terms of inputs, outputs, and key process.

Each of the factors may play a role in impeding the transfer of best practice between (and within) organisations.

2.5 Summary

This Chapter began by reviewing the local demand for the group benchmarking process, the Business School's Best Practice Club. It then turned to the link between best practice and performance that provided a further rationale for conducting this study. Finally, it reviewed the process by which practices are transferred between organisations (and organisational units), highlighting some of the major impediments to the transfer of best practice. In the Chapter that follows, the focus turns to the benchmarking process, which has been used by organisations to find and implement best practice. Given the discussion in this Chapter, the reader will not be surprised to find in the next Chapter that benchmarking is not always an effective means of transferring best practice. Sometimes the process is a bit 'sticky'.

CHAPTER THREE

The Benchmarking Literature: A Starting Point for Developing the Group Benchmarking Process

The previous Chapter reviewed earlier attempts by the Newcastle Business School to establish a common interest group benchmarking process to build on the activities of its Best Practice Club. The Chapter also examined the link between practice and performance and discussed some of the fundamental difficulties encountered when attempting to transfer best practice. The Chapter established the local demand for the research programme, as well as provided a theoretical justification for efforts to transfer best practices. In this Chapter, the focus turns to the benchmarking process itself. As Figure 1.2 (presented in Chapter 1) illustrated, a significant portion of the literature review was conducted at the outset of the project, though the researcher frequently returned to the benchmarking literature for guidance throughout the research programme. In this study, the literature review served several important purposes including:

- It helped to develop the researcher's understanding of the benchmarking process, which was critical when the researcher and participants used an action research method to design, implement, and refine a group benchmarking process. Before the study, the researcher had no previous experience in benchmarking or total quality.
- It established the clear gap in the literature in the specific area of benchmarking networks and common interest groups.
- It provided a conceptual foundation for understanding the potential benefits of a network-common interest group approach to benchmarking.
- It created a framework for understanding the effectiveness of the process and the potential determinants of effectiveness.
- It was useful for clarifying methodological issues, and for providing guidance on research strategy, design, data collection and analysis decisions, which cut across all stages of the research.

The knowledge gained from the literature review was combined with insights gained from the initial interviews with potential participants (representing nearly 30 companies around the Newcastle area), and the collective experience of the researcher's supervisors. These sources were all used to shape and inform the intervention strategy and the action research programme described in Chapter 4. Whilst a number of facets of the benchmarking literature were addressed, it is not intended to represent an exhaustive list. The sections were chosen based on their relevance to the design, implementation, understanding, and improvement of the group benchmarking process. Table 3.1 provides a summary of the areas covered and a brief rationale for their inclusion.

Section	Reason(s) for including
Nature of the Benchmarking Literature	Introduces the nature of the benchmarking literature. It is primarily focused at practitioners and is particularly light on the 'theory', particularly when compared to traditional management and organisation theory. Nevertheless, what is in the benchmarking texts, is not necessarily easy to put into practice by typical companies in a real world setting, as this researcher quickly discovered.
Definitions of Benchmarking	A clear definition of benchmarking which stressed the importance of practices, as well as measures was an important starting point for setting up the benchmarking network. Many participants assumed that benchmarking was mainly about comparing performance measures, rather than discovering the best practices that drive superior performance.
Types of Benchmarking	Clarifies the various types of benchmarking currently being practised. Business process benchmarking was the type attempted in this research. It is considered to be an advanced form of benchmarking, generally more difficult than internal or competitive benchmarking.
Process Models	The researcher tried to use a rigorous, systematic, process, not only to set up the network and organise the common interest groups, but also to guide the benchmarking efforts of the common interest groups.
Extent and Nature of Benchmarking Activity	This became increasing important as the researcher sought to understand why organisations within the network were struggling to keep pace, when initial research suggested that 'benchmarking' was a relatively widespread activity amongst quality-driven organisations, and therefore should not be that difficult for the participants.
Quality Maturity / Preparedness & the Link to Benchmarking	The difficulties organisations faced when attempting to business process benchmark within the context of the network and common interest groups began to suggest that there was some connection between organisational 'maturity' in quality terms and the ability to benchmark. Because business process benchmarking was relatively complex, quality maturity became even more important.
Reasons for Failure & Critical Success Factors	An understanding of these issues was useful in trying to design a process that would avoid some of the common pitfalls. It was also useful when analysing the effectiveness of the group benchmarking process and to identify the key determinants of effectiveness.
Benchmarking Networks & Common Interest Groups	The literature in this area is relatively sparse. What was available suggested that, in some cases, the approach could add value to the benchmarking process. Previous research also highlighted factors that might have an important influence on outcomes and process effectiveness. In addition, the gap in the literature, which this study addresses quickly, became apparent.

Table 3.1: Structure of the Benchmarking Literature Review

3.1 The Nature of the Benchmarking Literature

In the area of benchmarking, the literature has primarily been aimed at, and undertaken by, practitioners, and consultants[xxxiii] Like total quality management, to which it is closely related, much of the material is atheoretical. It is very clearly focused on the audience it is attempting to reach- i.e. practising managers (and other consultants/academics), who are more concerned with how to do it and the benefits to be gained, than the theory behind it (see Powell (1995); Hackman and Wageman (1995) or Gill and Whittle (1992) for parallels to T.Q.M.. literature). As a result, the field is dominated by how-to/d.i.y. guides with titles

like Practical Benchmarking, The Benchmarking Workbook, The Benchmarking Book or The Benchmarking Guide. Generally, these texts present prescriptive process models, checklists, guidelines, pro-formas, and case studies highlighting successful applications in various contexts, which are designed to make the implementation of a benchmarking project or programme more successful (see for example Camp, 1989 & 1995; McNair and Liebfried, 1992; Zairi and Leonard, 1994; Boxwell, 1994).

Whilst the nature of the benchmarking literature may be relatively devoid of academic theory, particularly when compared to periodicals such as the Strategic Management Journal or the Administrative Sciences Quarterly, its pragmatic bent was particularly beneficial when faced with the very practical task of establishing a benchmarking network and common interest groups. For example, the definitions of benchmarking detailed in the work of, amongst others, APQC (1993), Boxwell (1994), Camp (1989), Spendolini (1992), Watson (1992, 1993), Zairi (1992), and Zairi and Leonard (1994) were useful in focusing participants on a common understanding of benchmarking. Similarly, a Code of Conduct to encourage professional benchmarking behaviour, was modified from pre-existing models discussed in the literature (based on the International Benchmarking Clearinghouse operated by the APQC). Likewise, the benchmarking literature was useful in providing models of the benchmarking process, which could be adapted for use in common, interest groups. At the same time, the literature provided a wealth of empirical evidence of why benchmarking efforts often failed. This was useful in terms of the design and implementation of the group benchmarking process, as well as in highlighting what factors were likely to influence the effectiveness of the group benchmarking process. In keeping with the 'philosophy' of benchmarking, wherever appropriate, the researcher attempted to adapt pre-existing benchmarking models to the developing group benchmarking process.

3.2 Definitions of Benchmarking

3.2.1 What Do the Leading Benchmarking Authorities Think?

Benchmarking has been described by Watson (1993:87) as "measures in search of enablers", and Camp (1995:15) as "the search for and implementation of best practices". In other words, it is the process of discovering the benchmark level of performance, uncovering the best practice(s) and related enabler(s), which help explain it, and adopting/adapting, those practices and enablers to a new organisational setting. To use Szulanski's framework, benchmarking is a technique organisations can use to transfer, i.e. discover, exchange, adapt, and institutionalise best practices employed by other organisations, or

which are resident within the organisation but not fully deployed. Benchmarking has grown in popularity, and its use as a quality improvement technique has proliferated across geographical boundaries, industries and sectors, since first popularised by the Xerox Corporation in the late 1970s (Andersen and Camp, 1995:21). While Camp and Watson's descriptions highlight the core of benchmarking, a 'standard' definition of benchmarking does not yet exist (Camp, 1995:244). However, the examples below illustrate significant convergence around a common definition of benchmarking by leading benchmarking texts:

"Benchmarking is the search for and implementation of best practices"

(Camp, 1995)

"Benchmarking is the process of continuously comparing and measuring an organisation with leaders anywhere in the world to gain information that will help it to take action to improve its performance"

(Watson, 1992)[xxxiv]

"Benchmarking is the continuous process of measuring products, services, and processes against the strongest competitors or those renowned as leaders in their field"

(Zairi & Leonard, 1994)

"Benchmarking is two things: setting goals by using objective external standards and learning how much and, perhaps more important, learning how"

(Boxwell, 1994)

"A continuous, systematic process for evaluating the products, services, and work processes of organisations that are recognised as representing best practices for the purpose of organisational improvement"

(Spendolini, 1992)

While each author may appear to highlight slightly different aspects of the benchmarking process, a more complete reading of their texts shows very little difference exists between their interpretations. All those cited above, fundamentally agree with Watson's contention that benchmarking is "measures in search of enablers". When considering 'different' types of benchmarking (discussed in the following section) Watson's description can be used as a 'litmus test' to determine whether or not a particular activity is benchmarking or some form of comparative/competitive analysis, performance measurement, industrial tourism, or the like.

The above definitions suggests that benchmarking is a "continuous, systematic process" (Spendolini, 1992:10) involving the following key elements:

- Internal measurement[xxxv] (Watson, 1992; Zairi and Leonard, 1994)
- Active search for 'role model' organisations with which to compare the internal measures (Camp, 1995)
- Comparison of measures with a 'role model' (often external) (Spendolini, 1992; Boxwell, 1994; Watson, 1992; Zairi and Leonard, 1994)
- Analysis of the performance gap (Watson, 1992; Spendolini, 1992; Boxwell, 1994)

- Identification of best practices and enablers which contribute to the performance gap (Camp, 1995; Boxwell, 1994; Watson, 1992)
- Adaptation and exploitation (where applicable) of those best practices to close the gap (Camp, 1995).

These activities suggest benchmarking has two complementary purposes: firstly, to determine the benchmark level of performance, and secondly to transfer the practices which may enable achievement of the benchmark level of performance (Camp, 1995, Watson, 1993). By highlighting gaps in performance between the benchmarking organisation and more successful, role model organisations, the benchmarking process can help stimulate the need for organisational learning and improvement (Watson, 1993:46, Schein, 1995c; Lant and Mezias, 1990). At the same time, by identifying the practices which have enabled superior performance in more successful organisations, and which can be transferred to the benchmarking organisation, benchmarking can provide a model for the change process (Watson, 1993:vii, Camp, 1995:249). To paraphrase a leading benchmarking authority, 'benchmarking enables an organisation to not only discover how much it needs to improve, but also what and how it can improve' (Spendolini, 1992). The benchmarking process can be useful for establishing realistic improvement goals, which are not simply an extrapolation of last year's performance (Camp, 1995), and are more likely to be accepted by organisation members, because they have been demonstrated to be achievable by other organisations (Hackman and Wageman, 1995:316). Through its focus on best practices, or what Watson (1993:3) calls the enablers of superior performance, benchmarking provides a model for how to achieve the improvement goals. As Boxwell (1994) points out above, benchmarking is about "learning how", not just "what has been achieved".

The researcher selected Spendolini's (1992) definition of benchmarking to present to potential participants at the outset of the research. It conveys the sense that benchmarking is more than just measurement or comparison of performance, but is also about discovering best practices. It also highlights the systematic nature of the benchmarking process and its use to improve work processes. These were considered important messages to convey to participants at the outset of the project, particularly to offset fears that the project was about creating league tables, or was simply another vehicle for industrial tourism activities.

3.2.2 What Do Practitioners Think?

While the authors above appear to agree on the key elements of benchmarking, there is still confusion, particularly amongst practitioners, about what benchmarking is. This is

highlighted by a Coopers and Lybrand (1994) survey amongst practitioners (not consultants and academics) which found not only extensive use of 'benchmarking' (almost 80% of the sample), but also lack of consensus about what was meant by the term. They found the actual benchmarking definitions given by respondents fell into four general categories:

- competitive analysis
- performance comparison
- best practice
- other[xxxvi]

Only the 'best practice' category, which they define as a 'disciplined approach for comparing the performance of our company with best in class', bears much resemblance to the benchmarking definitions cited above. The lack of a common definition of benchmarking may be explained in part by its relative youth as a quality improvement tool (Spendolini, 1992:7), by the eagerness of new authors to differentiate their own 'unique brand' of benchmarking (Camp, 1995:246), and because it is still developing from an art into a science, and as such, has yet to incorporate a distinct body of knowledge that would include a standard definition (Watson, 1993:39). As Hackman and Wageman (1995:310) in their review of T.Q.M..'s conceptual core point out, it is almost inevitable that an idea which enjoys wide-spread popularity in managerial and scholarly circles will come to mean different things to different people.

The findings of the Coopers and Lybrand survey, which was conducted across a wide range of large UK organisations (and later with large organisations across Europe), can be contrasted with Spendolini's (1992:8-16) sample of forty-nine United States organisations' benchmarking definitions. Spendolini found approximately 80% of the sample's definitions were essentially variations on a common theme. By analysing the commonalties, he arrived at a 'benchmarking menu', consisting of nine categories/items. Spendolini suggested practitioners choose one word or phrase from each of his categories to create their own definition of benchmarking. His definition, cited above, was created by selecting one key word or phrase from each of the nine menu items. Spendolini's sample was drawn from 'experienced' benchmarkers, rather than from a more 'representative' sample of large organisations. In addition, the sample was comprised of American companies, which are arguably more experienced with benchmarking than their British counterparts are (i.e. the Cooper's sample), by virtue of the practice originating in the United States with Xerox (Camp, 1989). This suggests that more 'experienced' benchmarkers have converged on the

core elements of benchmarking, while those with less experience may still be confusing benchmarking with its precursors or related improvement techniques. Furthermore, it seems the experienced benchmarkers' definitions more closely mirror those proposed by the experts cited previously. Table 3.2 summarises the difference in focus between mature, experienced benchmarkers and inexperienced, immature benchmarkers

	Mature	**Immature**
Definition (Primary Focus)	Measure Compare Transfer Improve	Measure Comparison of Performance Measures Industrial Tourism

Table 3.2 Comparison of Mature and Immature Benchmarkers

To remedy definitional confusion, Camp (1995:246) has proposed that a standard definition of benchmarking be included in the language of the Baldrige National Quality Award, (which requires extensive use of benchmarking), and that a body like the N.I.S.T.[xxxvii] be the official 'keeper' of the standard benchmarking definition. Just as a definition of quality is included in the ISO guidelines and a model of total quality management is provided by the various national quality awards, a standard definition of benchmarking could provide some conceptual clarity to the practice of benchmarking, as well as guide organisations attempting to benchmark. It could also exert 'normative isomorphic pressure' (DiMaggio and Powell, 1983) on organisations to imitate the benchmarking practices endorsed by the national quality bodies. The Benchmarking Code of Conduct and the Benchmarking Award criteria, both creations of the International Benchmarking Clearinghouse and its sponsoring organisation APQC, go some way towards promoting excellence and standardisation in the definition and practice of benchmarking (see Watson, 1993). However, neither of these organisations is of the stature or legitimacy of the various national quality foundations, and in some ways may be perceived as 'commercial' enterprises by leading practitioners. Therefore, Camp's suggestion could be useful in promoting a common understanding of benchmarking which balances the focus between its measurement and comparison elements and the identification and adaptation of best practices.

3.2.3 Why the Dichotomy Between Theory and Practice?

It should not be surprising to see a dichotomy between benchmarking theory and practice particularly amongst inexperienced benchmarkers. Several factors could explain this gap. First, with the exception of the 'best practice' category in the Coopers and Lybrand survey

above, the focus was on measurement and comparison rather than identifying and exploiting best practices. Given the relative emphasis placed on performance measurement and the increasing standardisation of these measures (Kaplan, 1990), as well as the difficulty associated with identifying and adapting best practices (Szulanski, 1993, 1993a; Jick et al, 1993), it is not surprising to find many organisations stop about halfway through the benchmarking process. Second, benchmarking has its roots in, amongst other things, competitive intelligence and performance measurement (Bendell et al, 1993). Its earlier application in the computer field was related to performance measurement and comparison of central processing unit speed. As a result, measurement and comparison may be foremost in the minds of many practitioners.

Finally, practitioners may consider the most valuable elements of benchmarking to be the discovery of performance gaps when measuring and comparing, and the impetus this gives to organisational change. The discovery of performance gaps is considered an important starting point in most models of organisational learning. The discovery of the gap triggers the costly search for alternative solutions to close the gap between actual performance and aspirational goals (Lant and Mezias, 1990:149). As Jick, et al (1993) point out, a variety of other means exist with which to generate the knowledge necessary to close a performance gap. Analysis and exploitation of another organisation's practices is just one of several which can be applied. As a result, benchmarking, as practised in many organisations, may fall short of that prescribed in the textbooks and manuals, or practised by benchmarking experts. Organisations may simply find other methods of closing the performance gap identified more effective than attempting to understand and adapt the practices of superior performers.

3.2.4 Implications

The lack of consensus over a definition of benchmarking is in some ways analogous to the experiences of the exponents of total quality management and the 'learning organisation'. For example, Jick et al, (1993:57-58) note that the concept of the learning organisation has become a management 'Rorschach test' which if it becomes all things to all people, risks adding little value to anyone. The field, they suggest (p.58) is 'littered with conceptual and operational imprecisions'. Thus, the 'learning organisation' comes to mean anything from an organisation that undertakes a culture change programme or identifies its core competencies, to one that improves or re-engineers a business process. Hackman and

Wageman (1995) note a similar 'Rorschach' problem with T.Q.M.., as every attempted organisational intervention risks being lumped under the banner of T.Q.M.. (Hackman and Wageman, 1995:339). They argue the rhetoric of T.Q.M.. is winning out over the substance, and what most organisations refer to as their 'T.Q.M.. programme' bears only a passing resemblance to the ideas of Juran, Deming and Ishikawa. Most of the difficult bits have been left out, while the talk and slogans have remained. These worrisome trends in the application of total quality management, they assert, have nothing to do with the quality or efficacy of the founders' ideas, but are likely to reduce its prominence and popularity as an approach to organisational transformation (Hackman and Wageman, 1995:339).

Benchmarking faces similar difficulties. As Watson (1993:49) has argued, most organisations are "90% aspiration and only 10%" perspiration when it comes to applying quality tools such as benchmarking. Likewise, Coopers and Lybrand (1994:1) noted the focus of benchmarking efforts was '90% on the creation and analysis of metrics and 10% on change'. In their view, the percentages should be reversed with 10% of effort focused on gap analysis and 90% on the search for best practices. Undertaking a project or programme, under the guise of benchmarking, which focuses almost exclusively on metrics, or relies mainly on aspiration rather than perspiration, risks giving 'true' benchmarking a bad name. If the 'effort' yields little or no benefit, then the conclusion may be drawn that 'benchmarking' is of only limited value. If that happens, then organisations may be discouraged from employing it in situations where benefits could be derived.

In the context of this research, the apparent confusion over the definition of benchmarking had an important implication. It meant that it would have been unwise to assume that the 'mixed' group of organisations recruited to form the Network were necessarily going to share a common definition of benchmarking. In fact, the definitions of benchmarking held by group members, at the outset of the research, ranged from the relatively mature to the simplistic. That is not to imply that participants had actually used benchmarking in a relatively mature way in the past, only that they held a mature understanding of what benchmarking was. As a result, the group benchmarking process began with an attempt to gain agreement, amongst a 'mixed' group of benchmarkers, over a common definition of benchmarking. In this case, the definition chosen was relatively mature. This in turn affected the development of the benchmarking methodology used by the common interest groups at a later stage in the process.

3.3 Types of Benchmarking

Several questions arise when discussing the issue of benchmarking types. The first is what criteria are used to decide whether a particular activity should be given the label benchmarking. The plethora of different 'benchmarking' types rivals the diffusion of benchmarking process models discussed later, and like the proliferation of process, models may serve to confuse both beginners and experienced practitioners. This situation can be explained in part by the relative infancy of benchmarking practice and the body of literature supporting it, which is dominated by an army of practitioners, and consultants eager to distinguish their 'novel' approach from those already in existence (Camp, 1995). As Camp (1995) points out, benchmarking is not yet a proper science. Since little agreement exists over what constitutes a type of benchmarking, the list keeps getting longer.

These 'new' types of benchmarking often fall into one of two categories:

- a new name for, or slight variation on, an existing type
- an activity which is only marginally related to the practice, being referred to as benchmarking

Anything that involves a comparison, or a process of comparing, can become tagged as benchmarking (CCI, 1993:S1-18). Therefore, before discussing benchmarking types, it would be useful to establish some criteria for evaluating whether a particular activity (regardless of its name) falls into the category of benchmarking. Following the establishment of these criteria, the distinguishing characteristics of the various types, and attempts to categorise them can be reviewed. A second point of interest is whether a development process or continuum exists for the effective application of the benchmarking process. In other words, must an organisation begin with one type of benchmarking, before attempting more advanced or complicated applications of the process? Related to this issue is the whether the organisation needs to reach a certain level of quality maturity before undertaking benchmarking or a particular type of benchmarking. A final area of interest is the direction in which benchmarking is developing, and in particular, how the practice is evolving amongst experienced users of the process.

3.3.1 Criteria Which Distinguish Benchmarking From Related Activities

In response to the first point raised, Watson (1993:87) has suggested a very simple filter for determining whether a particular practice is benchmarking or some other form of

comparative or competitive analysis (see also below). His filter is to ask whether the practice follows the standard benchmarking approach of "measures in search of enablers". At the heart of this approach are five basic principles that form a sound methodological basis for the benchmarking process (Watson, 1993:47-50). According to Watson, these principles include:

- Reciprocity between benchmarking partners
- Comparison of analogous processes
- Measured performance comparison (reliability)
- Validity of performance measures
- Correlation of process enablers

In Watson's view, adherence to these principles helps to ensure a successful outcome to the benchmarking process, by making benchmarking more closely resemble a science, rather than an art based on intuition and gut feel. An activity, which fails to meet these criteria, would not be described as benchmarking. Watson (1993:87) cites 'performance benchmarking', 'cost benchmarking', and 'customer benchmarking' as examples that fail this test. While they are labelled by some as 'benchmarking', they produce only metrics, and ignore comparative process enablers (Watson, 1993:87). Other examples abound as the term 'benchmarking' increasingly finds its way into the business and professional vocabulary. For example, when a Human Resource professional remarks that he/she has benchmarked the organisation's salary structure, this likely means the salaries paid by the organisation have been compared to national, regional, local, or industry averages, not that a search for best practices has been undertaken. Similarly, league tables, such as those published by public sector agencies like the N.H.S., are often referred to as benchmarking, though the focus is often on benchmarks, rather than the underlying practices. Often, the 90% aspiration, 10% perspiration phenomenon comes into play.

Watson (1993:88) has proposed a model for understanding the relationship between the various competitive practices, such as market research, customer satisfaction measurement, reverse engineering, etc. which can get confused with benchmarking. His model classifies the various competitive analysis practices in terms of both their perspective (i.e. tactical or strategic) and their specific application (i.e. to markets, customers, products, and process). The model is useful for distinguishing benchmarking from the potpourri of other competitive analysis and comparison practices, as well as highlighting its increasing

focus on internal business processes. Unfortunately, in the process Watson manages to add three 'new' varieties of benchmarking: global, strategic, and process, to the discussion.

3.3.2 A Basic Taxonomy

The first basic taxonomy of benchmarking types has been proposed by Camp (1989). It has subsequently been adopted, (and adapted), by most authors following in his footsteps (see for example Zairi and Leonard, 1994; APQC, 1993; Bendell et al., 1993; Spendolini, 1992; Codling, 1993; Watson, 1992; Boxwell, 1994; Schmidt, 1992; Cecil and Ferraro, 1992; Shetty, 1993). The Camp (1989:60-65) taxonomy identifies four basic types of benchmarking:

- Internal
- Competitive
- Functional
- Generic

The names are taken from either:

- The focus of the comparisons, i.e. the target against whom the benchmarking comparisons are being made (i.e. internal or competitive) or
- The nature of the comparisons, i.e. what the organisation is benchmarking (i.e. functional and generic)

As benchmarking generally involves the comparison of products/services, business processes[xxxviii], or performance measures[xxxix], then internal and competitive benchmarking usually refers to comparisons of these aspects of the organisation with internal or competitive models. The functional and generic labels, on the other hand, generally refer to the comparison of an organisation's business processes (functional or generic) with the business processes of organisations recognised as functional/industry leaders or the best-in-class role models[xl]. A simple way of considering these benchmarking types (and those introduced below), suggested by Watson (1993:91), is in terms of whether the sources of benchmarking data are internal or external, and whether the partnerships are of a competitive or non-competitive nature. Using this framework, Table 3.3 shows the distinction between the four basic types of benchmarking, as well as the perceived pros and cons of each.

3.3.3 A Plethora of Additional Types of 'Benchmarking'

Despite the discussion above which suggests four relatively neat types/categories of benchmarking, a plethora of variations on these basic themes exists. This point is illustrated in Table 3.4 which attempts to classify the various types of benchmarking proposed by leading benchmarking authors. In addition to Camp's four types, sixteen other 'unique' types of benchmarking are defined in the exhibit[xii]. Most are variations on Camp's taxonomy, with little difference besides the name. For example, Watson's (1992:10) 'process benchmarking' (see also CCI's, 1993:S1-18) is simply a general description for any study which focuses on the comparison of an organisation's functional or generic business processes, rather than its

Type	Sources of Data/Focus of Comparison	Nature of Partnership	Nature of Comparison	Pros	Cons
Internal	Internal	Non-competitive	Products/ services, processes, or performance measures	Ease of data collection Relevant information Good place to start Spreads good practice(s) across entire organisation,	Less opportunity for innovation May not be best in class
Competitive	External	Competitive	Products/ services, processes, or performance measures	Relevant information	Difficulty to obtain information from direct competitors
Functional	External	Tend to be non-competitive	Business processes	Ease of data collection Greater possibility of uncovering innovative practices	Difficulty in determining relevant and comparable practices
Generic	External	Tend to be non-competitive	Business processes	Ease of data collection Greatest opportunity for uncovering the best of best practices Highest long-term payoff	Difficulty in determining relevant and comparable practices Most difficult benchmarking concept to gain acceptance and use

Table 3.3: A Basic Taxonomy of Benchmarking Types

products/services or measures of performance. In another instance, when Codling (1993) identifies best practice benchmarking as a new type, she is talking about basically the same thing as Camp's functional and generic benchmarking, Watson's process benchmarking, or Shetty's operational and management benchmarking. She has merely given a new name to an existing type, which may or may not provide additional insight into its application. In

some case such as Schmidt's (1992) customer and cost benchmarking, or Cecil and Ferraro's (1992) quantitative benchmarking, it is questionable whether these practices are measures in search of enablers, or just measures (see Watson, 1993:87). Likewise, Watson's 'performance' benchmarking sounds more like measurement and comparison, and less like the search for best practices, though the findings from this type of benchmarking study may initiate process or product/service oriented studies (Watson, 1993:10). Certainly, any of the various benchmarking types can fall into the 'measures only' category, if not, they are not executed according to the basic principles suggested above by Watson. The important issue is not the name, but how the activity is conducted, when determining whether the practice is benchmarking or something else.

3.3.4 Collaborative and Strategic Benchmarking

Two benchmarking applications, which don't fall quite so neatly into the categories just discussed, and which merit further consideration, are Boxwell's (1994) collaborative benchmarking and Watson's (1992:10, 1993:8) strategic benchmarking. Boxwell (1994) distinguishes benchmarking in terms of the nature of the relationship between the benchmarker (recipient) and the benchmarkee (source). Rather than just classifying relationships in terms of whether they are competitive or non-competitive, as suggested by Watson (1993) (see above), Boxwell (1994) proposes that the most important characteristic distinguishing the various types of benchmarking (internal, competitive, co-operative, and collaborative[xlii]) is the primary direction of information flow between the two parties. In the case of co-operative benchmarking, the primary flow of information is from the benchmarkee to the benchmarker, while in collaborative benchmarking, the information flow is more equally distributed between the parties. He gives as an example of collaborative benchmarking the case of a group of organisations, facilitated by a third party, sharing knowledge about a particular activity of common interest (training and development and customer satisfaction measurement are cited as examples).

Boxwell's collaborative approach to benchmarking bears some resemblance to the group benchmarking process developed in his research. Collaborative benchmarking also resembles Watson's strategic benchmarking, which promotes a 'partnership; approach to benchmarking characterised by a reciprocal flow of information and a commitment to

Source	Type	Focus of Comparisons (Who are you benchmarking against)	Nature of Comparisons (What are you benchmarking)	Pros	Cons
Camp 1989 & 1995, Zairi & Leonard, A.P.Q.C. 1992, Bendell 1993, Spendolini 1992	**Internal**	Other departments, plants, divisions of the same organisation	Could include Products / Services, Functional & Generic Processes, Performance Measures, etc.	Ease of data collection Relevant information Good place to start Spreads good practice(s) internally Good starting point	Less opportunity for innovation May not be best in class
	Competitive	Direct Competitors	Could include Products / Services, Functional & Generic Processes, Performance Measures, etc.	Relevant information	Difficulty in obtaining information from direct competitors
	Functional	Best-in Industry, Best-in-Class	Functional business processes	Ease of data collection Greater possibility of uncovering innovative practices	Difficulty in determining relevant and comparable practices
	Generic	Best-in Industry, Best-in-Class	Generic business processes	Ease of data collection Greatest opportunity for uncovering the best of best practices Highest long-term payoff	Difficulty in determining relevant and comparable practices Most difficult benchmarking concept to gain acceptance and use
Codling (1993)	**Internal**	Same as Camp, etc., except internal is confined to other departments and sites of the same division	Could include Products / Services, Functional/Generic Processes, Performance Measures, etc.	Same as Camp, etc.	Same as Camp, etc.
	External- Similar to functional and generic above	Other divisions, Other organisations with similar process, products, etc. Not necessarily comparison with best in class. Rarely with direct competitors	Could include Products / Services, Functional & Generic Processes, Performance Measures, etc.	Greater potential for removing blinkers	Cautions against difficulties of competitive benchmarking
	Best Practice-	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking
Watson 1992	**Strategic**	Non-Industry, Recognised business leaders	Business trends, Strategic change initiatives, Performance measures	Partnership formation. Creates ability to anticipate market trends	Lack of operational focus
	Performance	Similar to Camp's competitive benchmark. though often conducted by 3rd party, or using blinded results	Could include Products / Services, Functional & Generic Processes, Performance Measures, etc.	See Camp, etc. Competitive Benchmarking above	See Camp, etc. Competitive Benchmarking above
	Process	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking	Basically the same as Camp, etc's functional and generic benchmarking	Basically the same as Camp, etc's functional and generic benchmarking
Boxwell 1994	**Competitive**	Same as Camp, etc	Same as Camp, etc	Same as Camp, etc	Same as Camp, etc
	Co-operative	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking	Similar to Camp, etc's functional and generic benchmarking

(Table Continued on Next Page)

	Collaborative	Self selecting groups of firms, consortiums, Clearinghouses and Networks included in this category	Tend to be functional or generic business processes	Some demonstrated successes using this approach Development of partnerships	Some efforts become data sharing rather than benchmarking exercises Often focus is on how much(metrics) but not on how(enablers)
	Internal	Same as Camp, etc	Same as Camp, etc	Same as Camp, etc	Same as Camp, etc
Schmidt 1992	**Strategic**	Industry peers	Long-term shareholder value creation Ex. R.O.C.E. vs. C.O.C.E. + other financial measures	Identification of important organisational characteristics which contribute to superior performance	Author does not discuss
	Customer- similar to Camp, etc's Competitive Benchmarking	Direct Competitors	Product/Service	Links benchmarking directly to customer satisfaction with product or service	Author does not discuss
	Cost- Divided into 3 components- Operational, Organisational, Process	Direct Competitors, Industry peers	Direct and indirect costs, Organisational structures, Business processes	Lowest cost competitor tends to be premier company	Author does not discuss
Cecil & Ferraro 1992	**Quantitative**	Competitors and superior performing companies	Headcount, costs	Useful for gauging on a broad level a business units competitiveness	Questions about data comparability Identifies opportunities but not actions required
	Unit	Other locations/divisions performing same function	Efficiency, effectiveness, productivity levels of a business unit(or a part of a unit)	More focused than quantitative, above	Same as previous
	Functional	Similar to Camp, etc. except comparisons are primarily with other locations/divisions performing same function	Same as Camp, etc. but focus is on metrics	Data comparable	Analysis mainly diagnostic
	Full Vertical	Similar to Camp, etc's generic but comparisons are primarily with other locations/divisions performing	Key business processes or functions	Greater opportunity to identify specific actions for improvement	Difficulty of obtaining objective external information on the value of the functions to the organisation
Shetty 1993	**Strategic- Similar to Watson and Schmidt**	Superior performing organisations	Comparison of different business strategies to identify key elements of successful strategy	Not specifically discussed	Not specifically discussed
	Operational	Competitors and best-in-class	Functional and generic operating processes	Not specifically discussed	Not specifically discussed
	Management	Competitors and best-in-class	Management and support processes	Not specifically discussed	Not specifically discussed

Table 3.4: Types of Benchmarking

building long-term relationships between organisations, rather than one-off encounters. Boxwell (1994) notes some collaborative efforts have produced great results, but cautions many fall short of benchmarking and focus only on performance measures and not on process enablers and best practices. Unfortunately, he does not explore the reasons behind the success or failure of these collaborative benchmarking initiatives.

Watson (1992:10, 1993:8) and Shetty (1993) and, to a lesser degree, Schmidt (1992), develop a form of benchmarking called 'strategic benchmarking' which Camp (1989, 1995) does not identify as a specific type. Watson (1993:262) defines strategic benchmarking as "the application of process benchmarking to the level of business strategy". As such, it is a "systematic process for evaluating alternatives, implementing strategies, and improving performance by understanding and adapting successful strategies from external partners who participate in an on-going business alliance". By benchmarking the strategies of leading organisations, Watson (1992:8) argues, it is possible to identify long term trends and opportunities for strategic change initiatives, as well as, to compare high level performance measures, such as those suggested by Schmidt (1992). The key distinction between strategic benchmarking and other types of benchmarking, particularly forms of process benchmarking, is the scope and depth of commitment among the sharing partners (Watson, 1993:8). The benefits to be derived from this commitment and co-operation among benchmarking partners are described in general terms, and Watson (1993) provides little systematic analysis or sound theoretical or empirical arguments to support his pro-co-operation rhetoric. His case for inter-business co-operation rests almost entirely on an under-developed macro-level discussion of the increasingly global nature of competition and the need for improved national (US) productivity to combat this challenge (see Watson, 1993:16-17). Implicit, though unstated, in his argument is the opportunity cost to the nation of failing to exploit knowledge and practices, which currently exist within individual organisations. As noted earlier, the CBI has estimated this opportunity cost (in the UK) as 300 billion pounds. Just as an organisation can fail to exploit its best practices, so too can a nation, or community/network of organisations fail to fully exploit its best practices to enhance productivity through the joint improvement of key business process using best available practice. Whilst Watson's argument for inter-business co-operation makes sense, he spends little time elaborating it, and even less time explaining how it can be brought about in the context of benchmarking.

3.3.5 Levels of Benchmarking Maturity- A Progression of Types

A variation on Watson's strategic benchmarking theme is provided by both Camp (1995) and Zairi and Leonard (1994). They note benchmarking can be focused at two different levels- strategic and operational. At the strategic level, the focus is on comparing high-level performance measures, scanning to detect trends, and generally on more strategic issues. At the operational level, the focus is on business processes and identifying best practices. This strategic focus most closely resembles Watson (1992, 1993), Shetty (1993) and Schmidt's (1992) strategic benchmarking. Zairi and Leonard (1994) also propose that benchmarking types can be categorised in terms of whether they are reactive, proactive, or part of the business management process. In their view, an organisation begins with a reactive approach to benchmarking, illustrated by its focus on competitive benchmarking. As benchmarking expertise and maturity, develop, benchmarking efforts become increasingly more proactive. Functional benchmarking studies with non-competitors and internal benchmarking studies of generic business processes predominate. In the final stages of benchmarking maturity, after a firm base of experience has been developed, benchmarking becomes a key part of the management process. Generic benchmarking against best in class anywhere in the world becomes the norm.

Along the same lines, Camp (1995:17) notes the difference between a problem-based and a process-based approach to benchmarking. In his view, the problem-based approach is piecemeal and uncontrolled, characterised by a lack of overall planning and understanding of how benchmarking fits into quality and continuous improvement. The process-based approach, on the other hand, represents a more mature use of benchmarking. It is characterised by the integration of benchmarking into the business management process, with studies focusing on the vital few functional and generic business processes of strategic importance to the organisation. Codling (1993) and Watson (1993) would appear to agree with this assessment, and propose that as organisations develop benchmarking expertise, the focus of studies tends to shift away from primarily internal and competitive comparisons towards industry and best-in-class comparisons of generic business processes.

Watson (1992:9-10) and the APQC (1993:58) have proposed a similar three-pronged strategy for introducing benchmarking into an organisation, which is based on the resources required to undertake a particular type of benchmarking study. The three basic benchmarking types, strategic, performance or competitive, and process, can be distinguished in terms of the resources required to implement them. Watson (1992:10-11),

in particular, argues an organisation can ease its way into benchmarking by starting with performance benchmarking which requires the least (internal) resources to undertake. This can be followed by the development of strategic partnerships, and the undertaking of strategic studies by professional benchmarking analysts, which consume slightly more internal resources because they tend to be conducted by internal staff rather than outside professionals. From these strategic studies, opportunities to engage in process benchmarking emerge. This phased approach, according to Watson, (1992:10-11), allows the organisation to slowly build support for, and commitment to, the benchmarking concept while it develops capability in the process and establishes credibility amongst potential benchmarking partners. Presumably, the approach to implementing process benchmarking would take on a similar strategy, beginning with internal studies of small-scale processes before advancing to complex functional and generic benchmarking activities.

In this study, most of the participants attempted to join the benchmarking process at the more advanced end of the scale. Rather than beginning with performance benchmarking, as Watson suggests, or with limited internal studies, participants tried to start with business process benchmarking (of the functional and/or generic variety). As a result, they had yet to develop the complementary resources required to process benchmark effectively. Using a snow skiing analogy, they attempted to learn how to parallel ski without first learning how to snow plough, usually a recipe for disaster. Most participants in this study exhibited what Camp would describe as a problem-based approach to the benchmarking process, as most efforts were not well integrated into existing quality improvement processes. It remains to be seen whether any of the participants in this study make benchmarking an integral part of the business management process.

3.3.6 Relationship Between Type and Potential for Breakthrough Thinking

In general, the benchmarking process appears to get more complex as the basis of comparison shifts focus from internal and competitive models to the performance and practices of functional and generic business process leaders (Camp, 1989:57). At the same time, the potential for identifying innovative new practices that could lead to competitive advantage, also increases (Camp, 1989:263; Spendolini, 1993:17; Zairi and Leonard, 1994). As might be expected, a positive relationship appears to exist between the complexity and cost of a particular type of benchmarking and the potential benefits from its application. Some of the reasons for this relationship are suggested by Camp (1989:57, 263), and are outlined below in Table 3.5 which analyses the four basic types of benchmarking in terms of:

A) Relevance of the comparisons, B) Ease of data collection, and C)the potential to discover innovative new practices. The analysis suggests internal and competitive benchmarking is most likely to produce comparisons, which are viewed as relevant by the organisation (Camp, 1989:58).

Benchmarking Operation/Type	Relevance	Ease of Data Collection	Likelihood of Discovering Innovative Practices
Internal Operations (Internal Benchmarking)	X	X	
Direct Product Competitors (Competitive Benchmarking)	X		
Industry Leaders (Functional Benchmarking)		X	X
Generic Processes (Generic Benchmarking)		X	X

Table 3.5: Key Benchmarking Characteristics (after Camp, 1995:263)

This is consistent with research in the area of the diffusion of innovation, which underscores the importance of homophily to the decision to adopt/adapt an innovation. Other things being equal, the more homophilious the two units, the more likely the decision to adopt a particular innovation (Rogers, 1983; Duncan et al, 1973). Internal and direct competitors are likely to appear more homophilious to the benchmarker (i.e. potential adopter).[xliii] Thus, the practices uncovered as a result of internal or competitive benchmarking are likely to appear more relevant, and perhaps more likely to be adopted. However, the likelihood of uncovering truly innovative best practices which can contribute to developing and/or sustaining competitive advantage may be lessened, because the search is limited to internal or competitive alternatives which may not represent better or best practice (Spendolini, 1992:23, Camp, 1995:83-85). While it is logical to include appropriate internal comparisons, and necessary to evaluate competitors' performance and practices (Camp, 1989:62; Camp, 1995:81), it may prove beneficial to broaden the search beyond these boundaries. As Spendolini (1992:23) points out, true "thinking out of the box" requires an organisation to widen its search for best practice beyond internal or industry borders in order to increase the probability of finding practices which are truly innovative. Figure 3.1 illustrates this point. The search for innovative practices, however, should be balanced with the cost of conducting the study and the improvement requirements of the organisations. This point is illustrated by Spendolini (1993:113-114) using the analogy of a pyramid (see Figure 3.2). At the tip of the pyramid are best-in-class/world class practices, which are costly to identify, but can yield significant benefits (innovative, potential to provide competitive advantage). As you move down the pyramid, the available options increase while the search costs decline.

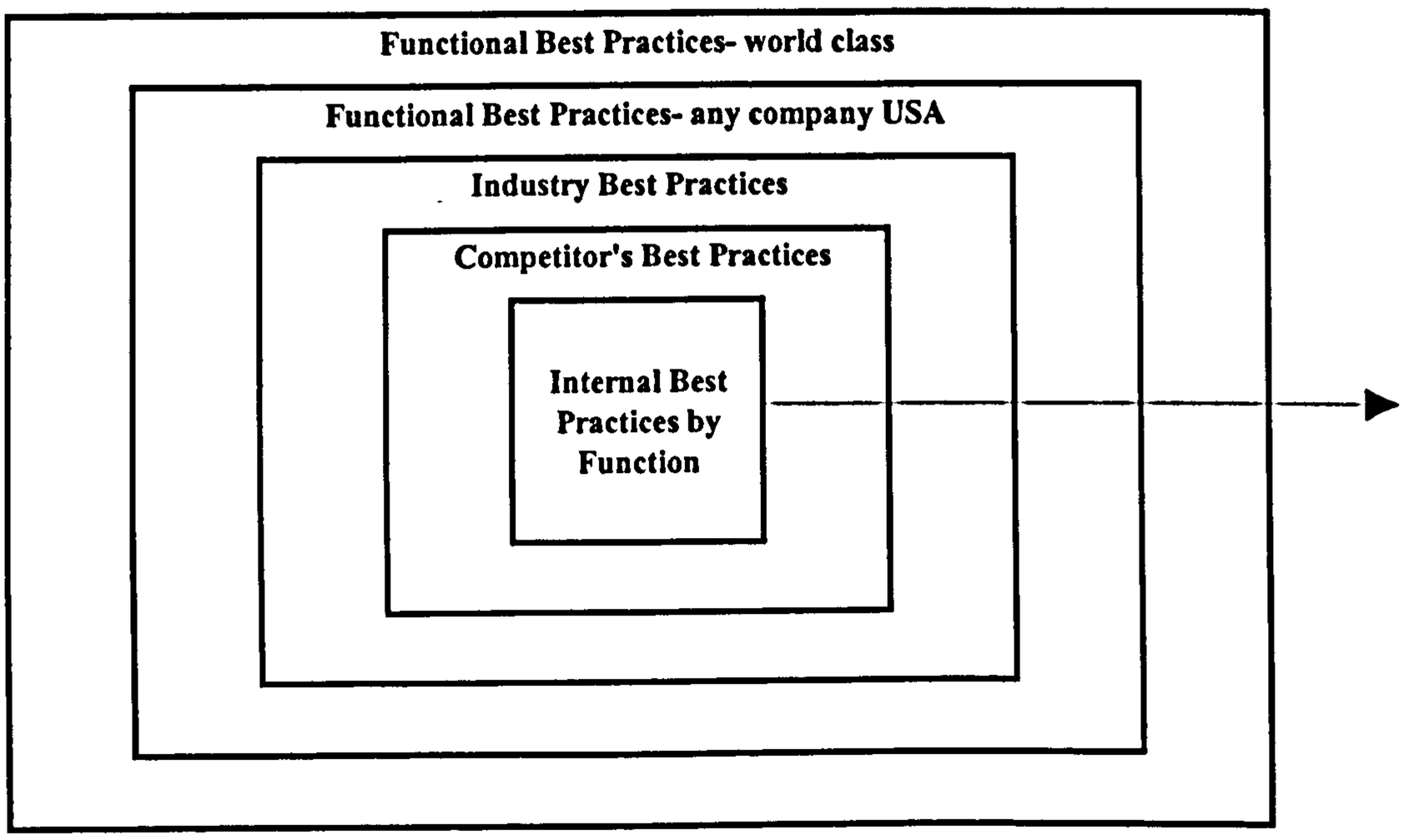

Figure 3.1 Thinking Out of the Box (Spendolini, 1992:23)

However, the potential benefits to adopting these options (practices) also decline. In Spendolini's view, the organisation's search strategy should match its improvement objectives (see also Watson, 1993:59-60). For example, if it is looking only for moderate or incremental improvement, the organisation could focus its search on better or best practices, rather than incurring the unnecessary expense of searching more extensively for world-class or best-in-class practices.

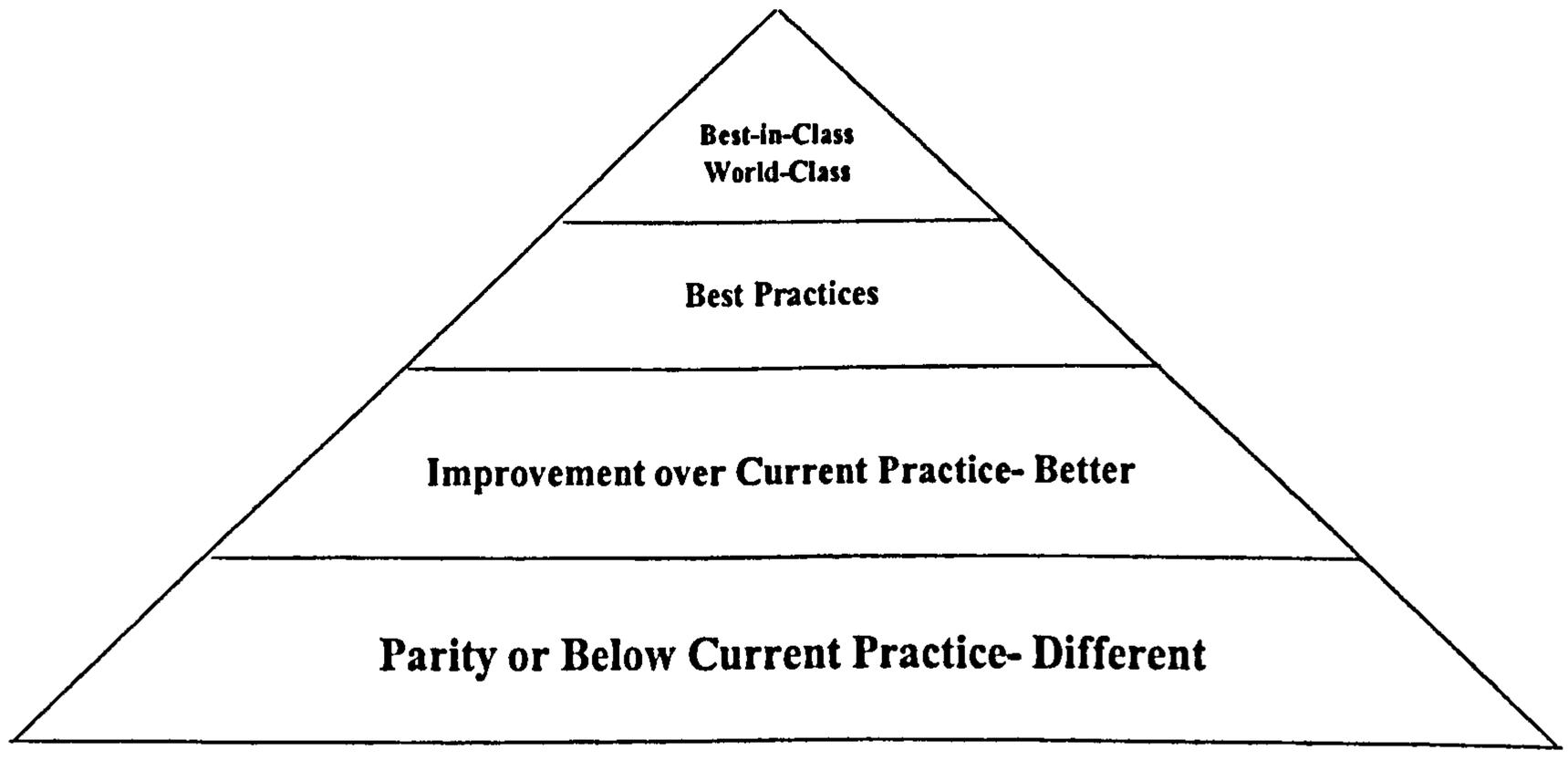

Figure 3.2 Hierarchy of Practices (Spendolini, 1992:113)

3.3.7 Type and Ease of Data Collection/Access

A final characteristic to consider, according to Camp (1989:57) is the ease of data collection. By this, he means (see p.58) the extent to which data collection may be impeded by concerns of sensitivity or confidentiality, or limited by legal and ethical considerations. As the APQC (1993:17) notes: a number of potential concerns such as, poor stewardship of intellectual property, anti-trust violations, unfair trade practices, conflicts of interest, and trade libel disparagement, can arise when dealing with direct competitors. This tends to restrict the extent of competitive benchmarking activity, limiting engagement to areas that do not influence relative competitive advantage (APQC, 1993:17). Camp (1995:82-83) argues that by focusing on business processes and best practice, competitive benchmarking can avoid pricing and other anti-trust concerns. He sees inter-industry co-operation increasing because of the Baldrige National Quality Award, and similar state and public sector awards, which not only require benchmarking, but also require winners to tell others their story in public forums. In addition, the Code of Conduct mentioned earlier (see Watson, 1993:50-53; APQC, 1993:229-231) has proposed some legal, moral, and ethical conventions to guide the practice of benchmarking The essential elements of the Code of Conduct can be found in Appendix 5. Together, these various developments could make competitive (as well as functional/generic) data collection easier, by reducing confidentiality concerns, and thereby encouraging organisations (competitors and functional/generic process leaders) to freely exchange information.

However, this view of the ease of data collection appears a bit limited, and may under-estimate several potential data collection difficulties encountered in non-competitive, external benchmarking studies- i.e. functional and generic business process benchmarking. First, it seems to ignore the difficulties (and the costs) associated with locating best-in-class organisation(s) with which to compare performance and practices. Whilst it is easy to determine who your direct (and indirect) competitors are, it may be much more difficult searching out the leader(s) for a particular functional or generic business process (Spendolini, 1993:113-115). Though a vast array of information resources, including commercial networks, databases and on-line services, can be tapped by benchmarkers, (see for example, Camp, 1995; APQC, 1993), it is no small task to comb through the available sources to identify potential best-in-class benchmarking partners. In addition to underestimating search costs, there seems to be a tendency to underestimate the difficulty (and cost) of establishing a relationship with the target(s) of the benchmarking investigation, and convincing them to allow data collection and information exchange. One of the

difficulties facing benchmarking organisations is not only locating an appropriate partner, but also convincing that partner to co-operate, particularly if the information flow is likely to be one way (see for example APQC, 1993; Camp, 1995; Boxwell, 1994). As Spendolini (1992), points out, primary best-in-class company research and establishing information sharing relationships can consume over 50% of the time allocated to a 'typical' benchmarking project.

Best-in-class organisations are often inundated with benchmarking requests, and are forced to reject the vast majority of them, particularly when many of the requests come from organisations which are inexperienced or poorly prepared (Watson, 1992; Andersen and Camp, 1995; CCI, 1993). In many cases the request for information relates to processes for which these organisations do not represent best practice. The research conducted by the prospective benchmarker has not been systematic or focused enough to identify the most appropriate target for their study. One of the most typical mistakes is to assume quality award winners will automatically be good benchmarking targets irrespective of the process being studied. Both Camp (1995) and Watson (1993) have pointed out that the trend amongst experienced benchmarkers is towards close connections with a limited number of strategic benchmarking partners. This is, perhaps, analogous to the push by some organisations to rationalise their supplier base from a large, arms-length, and often antagonistic group, to a small network of high-quality strategic partners. Ironically, as benchmarking activity increases, and information about world class and best-in-class performers becomes more widely disseminated, the likelihood of experienced benchmarkers sharing practices outside of their strategic network(s) of benchmarking partners is likely to decline. Just as organisations form alliances and create networks to compete more effectively, they will likely create similar relationships to share best practices. Consequently, in future, data for generic and functional benchmarking studies may be increasingly hard to come by for organisations not established in a strategic benchmarking network(s). It should also be hard to come by for organisations that have (or offer) nothing in exchange for the opportunity to benchmark.

3.4 Benchmarking Process Models

Most benchmarking experts agree that a structured, systematic approach to the benchmarking process can help ensure a successful benchmarking exercise, i.e. one that not only identifies benchmarks, but also captures the best practices and enablers which underlie the benchmarks (Watson, 1992, 1993; Spendolini, 1992). A structured approach to

the benchmarking process can be enhanced by the development of a systematic process model to guide an organisation's benchmarking activities (Spendolini, 1992:38-39). As Watson (1993:64) points out, it seems every company getting a start in benchmarking, wants to create their own 'unique' process. As a result, the practitioner literature is replete with 'different' benchmarking process models. However, when the APQC (1993) analysed a number (n=42) of the benchmarking process models used by its members, they found that while the steps varied from four to over 30, most were based on the five stage, ten step process, developed by the Xerox Corporation (See Figure 3.3 - see also Spendolini, 1992:7) or were strongly influenced by the processes used by other Baldrige Award winners (Watson, 1993:64). Similarly, as Figure 3.4 illustrates, the APQC (1993:139) also found that most of its members' process models were based on Deming's Plan, Do, Check, Act cycle (see also Camp, 1995:9; Watson, 1993:65; Zairi & Leonard, 1994). The A.P.Q.C. (1993) modified P-D-C-A to: 1)planning the study, 2)collecting the data, 3)analysing the data, and 4)adapting and improving.

3.4.1 A Benchmarking Template and Meta Model

Convinced of the need to follow a rigorous, structured process to get results, and concerned about the potential 'communication' difficulties caused by a proliferation of process models, the APQC (1993:137-138) has proposed a 'template' to help organisations develop their own benchmarking process. The rationale of the template is similar to that which underlies Watson's benchmarking criteria discussed in the previous section, or Camp's call for a standard benchmarking definition. That is, by stressing a rigorous, systematic approach, focused on both measures and best practices (and enablers), the APQC, like Watson and Camp, is trying to make a clear distinction between benchmarking, and activities like performance measurement/comparison and industrial tourism/plant tours which in the minds of many practitioners are analogous to benchmarking.

The template (APQC, 1993:137), illustrated in Figure 3.5, seeks to:

- Underline the context of the benchmarking process
- Highlight the core sequence of actions needed to complete the process
- Suggest considerations which need to be taken into account
- Underscore how benchmarking links enablers and critical success factors.

PLANNING

1. IDENTIFY WHAT IS TO BE BENCHMARKED

2. IDENTIFY COMPARATIVE COMPANIES

3. DETERMINE DATA COLLECTION METHOD AND COLLECT DATA

ANALYSIS

4. DETERMINE CURRENT PERFORMANCE GAP

5. PROJECT FUTURE PERFORMANCE LEVELS

INTEGRATION

6. COMMUNICATE BENCHMARK FINDINGS AND GAIN ACCEPTANCE

7. ESTABLISH FUNCTIONAL GOALS

ACTION

8. DEVELOP ACTION PLANS

9. IMPLEMENT SPECIFIC ACTIONS AND MONITOR PROGRESS

MATURITY

10. RECALIBRATE BENCHMARKS

LEADERSHIP POSITION ATTAINED

PRACTICES FULLY INTEGRATED

Figure 3.3: Xerox's Benchmarking Process Model based on Camp (1995:259)

	4- STEP	6-STEP	7-STEP	8-STEP	10-STEP	A.P.Q.C. META-MODEL
PLAN THE STUDY (PLAN)	Prepare to benchmark	Plan	Determine functions/processes to Identify key performance variables Identify best-in-class companies	Define business issue Define what to benchmark Define benchmark measures Determine who to benchmark	Identify process Identify partner	Select process to benchmark Gain participation of process owner Select leader of benchmarking team and i.d. team members Identify process customer's profile and expectations Analyse process flow and process performance measures Document and flow diagram process Identify generic versions of process-performance measures Select c.s.f.s to benchmark Establish data collection method
COLLECT DATA (DO)	Research process	Research Observe	Measure performance	Acquire data	Collect data	Collect internal process data Research similar processes through secondary sources Identify best-in-class Plan data collection Develop survey or interview guide Contact benchmarking partners and gain participation Collect preliminary data Make on-site observations
ANALSYE DATA (CHECK)	Document best practices	Analyse	Compare performance and estimate gaps	Compare performance Identify actions to close the gap	Determine Gap Project future performance	Organise &reformat data to permit identification of performance gaps Normalise performance to a common base Compare current performance against benchmark Identify performance gaps and causes, highlight reasons for gap Project performance 3 to 5 years in future Develop best practice case studies Isolate process enablers that correlate to process improvements Evaluate process enablers & best practices to determine adaptability
ADAPT AND IMPROVE (ACT)	Report and Implement	Adapt Improve	Specify improvement Implement and monitor results	Implement improvements & monitor results	Gain support Set goals Develop plans Implement plans Recalibrate benchmarks	Set goals to reduce, meet, and then exceed performance gap Modify process enablers and best practices Gain acceptance, support, etc. for req'd. changes Develop an action plan Commit resources required for implementation Implement plan Monitor and report progress toward goal Identify future benchmarking opportunities & recalibrate measures

Table 3.6: A Comparison of Benchmarking Process Models based on APQC (1993:140)

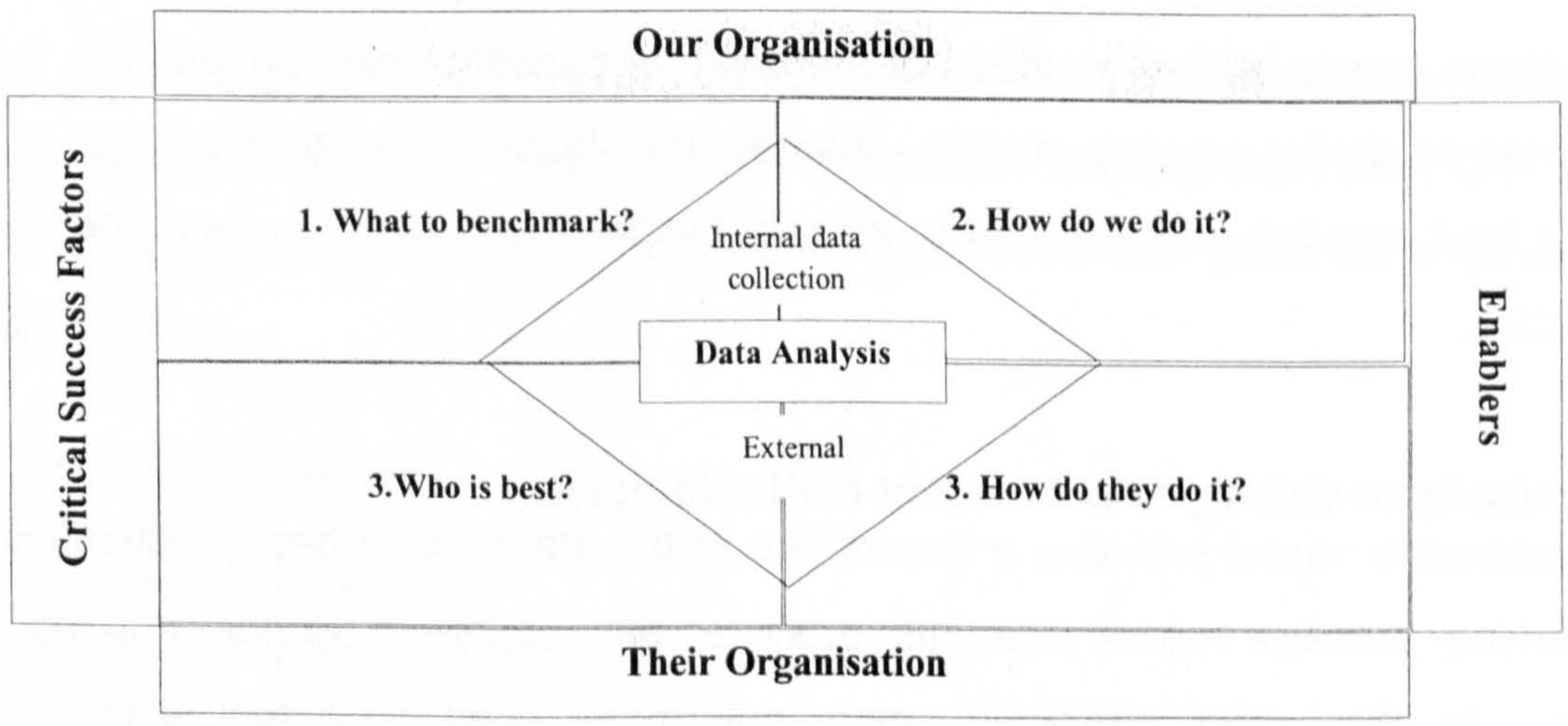

Figure 3.4: APQC Benchmarking Template (APQC, 1993:137)

Working sequentially through the four quadrants a generic benchmarking process becomes apparent.

- **Quadrant One**- The benchmarking process begins with the organisation identifying its critical success factors (c.s.f.s)[xliv] and choosing a benchmarking project, which if successful, will positively affect these c.s.f.s.
- **Quadrant Two**- Illustrates the need for internal data collection and analysis to more fully understand the existing process and its current performance before attempting to make comparisons with other organisations.
- **Quadrant Three**- Introduces the search for role models that perform the process better than the benchmarking organisation.
- **Quadrant Four**- Focuses on data collection and analysis of the processes of the best-in-class organisation to determine performance gaps/differentials, and to understand the best practices and enablers of these gaps.

Implicit in the template is 'quadrant five' in which the best practices and enablers discovered during the benchmarking exercise are adopted and/or adapted by the organisation to improve the benchmarked process and enhance fulfilment of the organisation's critical success factors. Likewise, the need to continuously revisit each of the quadrants appears to be taken as a given.

Based on their template, the APQC (1992) has created a 'Meta-Model' for benchmarking. The Meta Model, depicted in Figure 3.5 details the sequence of activities, which occur during each step of the benchmarking process. It serves as a comprehensive model of a prototypical benchmarking process, which can be used to find and implement best practice. The Meta Model can also be used to highlight the link between benchmarking and the Szulanski's transfer process (see Szulanski, 1993, 1993a, 1995, 1996). Szulanski's concern was not to create a protocol or set of instructions to assist practitioners in the transfer of best practices, nor to outline methods of managing a benchmarking project, like the APQC Meta Model, or similar process models. Instead, his objective was to model the underlying stages of best practice transfer, and to identify factors which could impede the transfer of best practice.

3.4.2 Similarity to Quality Improvement Methodologies

While Szulanski's model provides a description of the stages of a best practice transfer, a benchmarking process model presents a systematic approach to the transfer of best practices. As Spendolini (1992:44) points out, many steps in a typical benchmarking process model are not unique to benchmarking, but are instead related to important project management aspects of the process. Likewise, the methodology is nearly identical to the standard process improvement and problem solving methodologies found in quality management articles and texts (see for example Oakland, 1993:217, or Cole, 1994:76). The generation of process improvements or problem solutions comes primarily through a

systematic study of how other organisations have improved a similar process or solved a similar problem, rather than through internally focused idea generation methods such as brainstorming or the like. Nearly identical internal data collection and analysis techniques are used to understand the current state of affairs, before attempting to improve it. In addition, benchmarking data gathered at a strategic level can highlight the need for process improvement at an operational level (see Camp, 1995:168). As Spendolini (1992:70) notes, benchmarking suggests not only problem solutions, but also highlights the existence of problems.

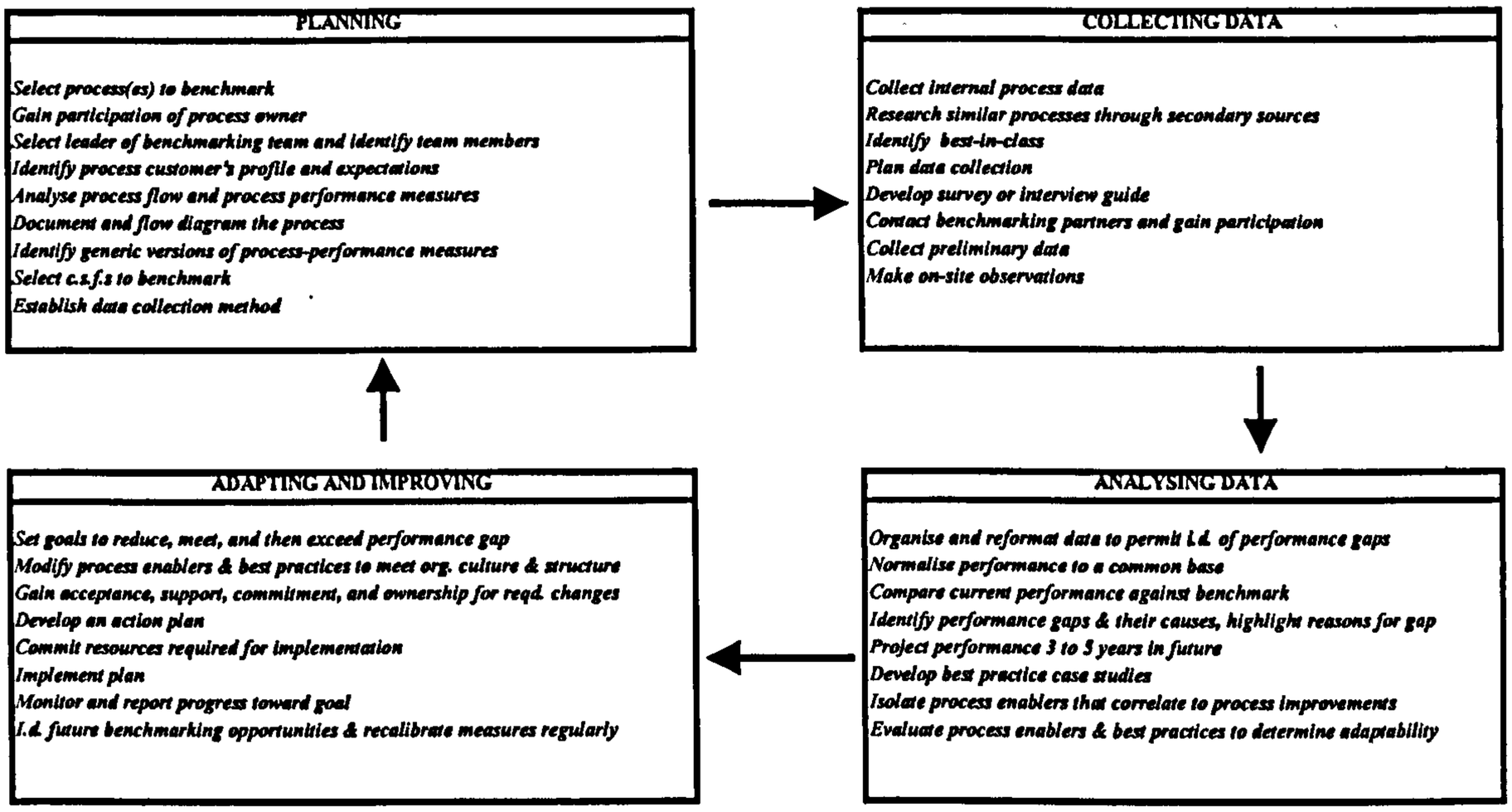

Figure 3.5 APQC Benchmarking Meta Model

Similarly, Spendolini (1992:44) mentions the heavy emphasis placed on planning and organising, before initiating the transfer of best practices. Coming from the T.Q.M.. tradition (Hackman and Wageman, 1995:316), benchmarking shares with TQM, an emphasis on the following activities:

- Planning and organising
- Measurement
- Data collection and analysis
- Data driven decision-making
- Use of teams
- Involvement of process owners
- Understanding and meeting the needs of the customer

Of particular importance in terms of planning and organising are the following:

- the choice of an appropriate benchmarking project which will result in improvements in an area(s) critical to the organisation's success (see Watson, 1992, 1993 or Camp, 1995:25-51 for example)
- the formation of a team to undertake the project (see Spendolini, 1992:80-104 for a description of team roles and requirements)
- systematic analysis of internal processes before initiating external comparisons (see Camp, 1995:52-69)

Given the relative cost and complexity of a typical benchmarking project (see Spendolini, 1992:35-37; APQC, 1993:103-117 for a discussion of time and cost considerations), this helps to ensure the efficiency and the effectiveness of the benchmarking process. Borrowing from Jick et al (1993:59-60), proper preparation, prevents three potential failures from occurring:

- No best practices are discovered
- No practices are transferred
- Practices are transferred but they have no impact on critical success factors, and thus no significant impact on organisational performance.

3.4.3 Identifying the Customer and Managing the Process

An important step not always explicitly considered by some of the leading methodologies, nor suggested by the APQC template, is the identification of the customer of the benchmarking study's findings (Camp, 1995:27). The customer in this sense is an internal one: the person(s) who have requested the benchmarking information (Spendolini, 1992:55). This could be a commissioning manager, the benchmarking team itself, other members of the organisation, or a benchmarking partner (Spendolini, 1992:57-59). Given this deficiency, Camp (1995:27-29) suggests a 'Step Zero' (referred to by Spendolini [1992:48] as Stage One), which is very similar to the first few steps in a quality improvement process. Before beginning the formal benchmarking process, Camp (1995) suggests an organisation should do the following:

- Determine the output of the study
- Identify the customer of the output
- Determine customer's requirements
- Develop specifications to meet the customer's requirements

Camp (1995) also draws an important distinction between the benchmarking user process and the benchmarking management process. Most models are designed to guide the user process, as opposed to the management process that (Camp, 1995:163) says "consists of all the other activities required to ensure that effective benchmarking investigations are conducted and results are implemented". The management process suggested by Camp

(1995:164-193) highlights several key roles for management in the benchmarking process including:

- Establishing the initiative
- Creating a favourable organisational climate
- Providing support and training
- Sustaining the commitment
- Prioritising the direction of benchmarking efforts

The emphasis by Camp on management's role in the benchmarking process is consistent with total quality management's implicit assumption that ultimate responsibility for quality rests with top management (Hackman and Wageman, 1995:311), or to paraphrase Deming (1983, 1986), 95% of the responsibility rests with management. It is also consistent with most of the TQM literature, which highlights the fundamental importance of management commitment and leadership if quality improvement efforts are to be successful (Oakland, 1993; Dale, et al 1994a, 1994 b, 1994c). Without management support and commitment, as will be discussed below, benchmarking efforts are doomed to failure. In this case study, there was little evidence of a benchmarking management process. The focus of efforts was on the user process. For the most part, management was not actively involved in any aspects of the benchmarking process.

3.4.4 Benchmarking and the Transfer Process

Szulanski's model provides a conceptual framework for how the transfer process happens. Szulanski's model describes the key processes that occur at each stage of transfer, rather than prescribes how to accomplish each stage of the process. Given its intra-organisational nature, Szulanski's model explicitly considers both the role of the source and recipient in the transfer of best practice, while benchmarking process models tend to focus on the activities of the recipient unit/organisation. In Szulanski's model, the source and recipient are members of the same organisation, and consequently have some shared stake in the transfer of best practice. Thus, the source of the best practice, as well as a third party, for example; management, may play a key role in initiating the transfer. The source of the best practice does not play an explicit role in benchmarking process models, even in intra-organisational situations. Benchmarking process models, on the other hand, prescribe a practical methodology for making the transfer process happen between and within organisations. In addition, benchmarking process models do not tend to distinguish between inter and intra-organisational contexts, because the context is not considered important. The recipient is responsible for becoming aware of superior

performance/performance gaps and underlying best practices. It is assumed that sources of best practice will not be actively looking for willing recipients, or that a third party will be attempting to match up the two parties. As a result, one type of 'informational process', which might generate awareness and stimulate transfer attempts in an inter-organisational setting may be missing. The existence of benchmarking networks and similar initiatives, which attempt to bridge the gap between source and recipient, may contribute to greater awareness of best practice, and consequently encourage transfer activity.

The primary focus of the benchmarking process is on the following activities:

- developing awareness of transferable best practices by thoroughly analysing existing (internal) performance and practices using traditional quality improvement tools and techniques
- searching externally in an organised fashion for better performance and practices
- systematically analysing the examples of better performance and practice which are discovered, to determine which practices may be transferable

Many of these activities constitute what Szulanski (1993a:47) would refer to as performance review or audit, and informational processes. They create both awareness of performance gaps, which may stimulate efforts to close the gaps, as well as awareness of the best practices[xliv] of other organisations, which may be used to fill the gap. Nearly two-thirds of the activities of the benchmarking process are directed towards building awareness of best practices in anticipation of their transfer. In addition, nearly a third of the benchmarking model steps relate to managing the transfer process[xlvi]. These 'management activities include:

- Selecting the process to benchmark
- Organising the team
- Identifying the customer of the project's requirements
- Planning key activities
- Setting goals
- Building support and commitment to proposed changes.

Whilst some of these activities may also contribute to stages of the transfer, primarily they focus on managing the benchmarking project itself. Spendolini's (1992) emphasis on the benchmarking project's customer, team composition, and management of information sources, and Camp 's (1995) Step Zero reinforce the importance of project management to the transfer of best practices. The remaining activities are mainly concerned with exchange and specifically preparing to absorb the best practices that have been targeted for transfer.

The benchmarking process model addresses only in a cursory way the remaining stages of adaptation and institutionalisation. Much of what the benchmarking model refers to as adaptation is actually preparing to implement, rather than the trial and error and problem solving Szulanski describes as adaptation.

3.5 The Extent and Nature of Benchmarking Activity

This section examines the extent to which benchmarking is being practised by organisations and the nature/type of the benchmarking being practised. If use of the benchmarking process were widespread, it would have increased the chances that the organisations participating in this study had experience using the process. If they had experience, then they should have been more proficient with the process, and would likely have had greater probability of finding best practices during the group benchmarking process. The nature of their benchmarking experience would also be relevant, as the group benchmarking process was attempting to do business process benchmarking which is considered a 'mature' approach to the process (see above). If the key characteristics of a mature approach to benchmarking (see Coopers and Lybrand, 1994a, Camp, 1995, Zairi and Leonard, 1994, Watson, 1993), include:

- Concentration on the (critical) business processes which deliver customer satisfaction
- Comparisons outside of competitive and industry boundaries
- Emphasis on best practices rather than metrics and performance gaps, or 'industrial tourism'
- A strategic partnership approach to development of benchmarking networks;

Group benchmarking may be considered a relatively mature or advanced form of benchmarking. It focuses on an organisation's business processes rather than products/services or competitive/performance characteristics. Comparisons are generally made outside of competitive and industry boundaries (though not necessarily with best-in-class or generic leaders). The emphasis is not strictly on the generation of metrics, or 'industrial tourism', but rather it is on finding and implementing best practices. Moreover, with the setting for benchmarking shifting to an inter-organisational network, additional dimensions of inter-organisational co-operation and co-ordination are introduced to further complicate what is already a complex problem solving process. Therefore, common interest group benchmarking would seem to require relatively 'mature' benchmarking organisations, willing and able to engage in a more advanced form of the benchmarking process in a novel and, perhaps more challenging, context. In exchange, the process offers the potential to provide an effective means of finding and implementing best practices.

Given this discussion, it seems important to attempt to establish the level of benchmarking maturity of the general population of organisations, both as a means of understanding the impact it may have on the structure of a group benchmarking process (for example, in terms of training, facilitation, selection procedures, and the like), as well as the role it may play in determining the effectiveness of the group benchmarking process. The means proposed for establishing the level of benchmarking maturity are to analyse available survey, case study, and anecdotal data on the use of benchmarking by organisations, as well as to review comments made by leading benchmarking consultants, practitioners, and academic experts. Taken together, these data sources may converge on a consensus regarding the extent and nature of the benchmarking activity that is now occurring. This will help to better understand the outcomes achieved in this case study, as well as the factors, which determined the effectiveness of the group benchmarking process.

This approach assumes the extent and nature of benchmarking activity reported in the various sources is an appropriate indicator of the level and distribution of benchmarking maturity within the population of organisations. For example, if an organisation were using business process benchmarking to discover and transfer best practices in role model organisations then this researcher, like the leading benchmarking authorities, would assume the organisation is regarded as 'mature' in benchmarking terms. Likewise, if an organisation is not business process benchmarking (in the fashion just described), then it is assumed this organisation is not 'mature' in terms of its use of benchmarking. Clearly, organisations could be prepared to business process benchmark but decide not to do it for any variety of reasons, including it provides no net benefit to the organisation. As a result, the extent to which organisations are benchmarking would not accurately reflect the proportion of organisations capable of benchmarking. As will be pointed out below, the opposite may in fact be occurring. Instead, organisations seem to be trying to business process benchmark despite the fact it is providing no net benefit, in some cases because they are unprepared or don't have the necessary complementary resources. While it would be useful to have access to survey data which attempted to measure the maturity of organisations' approach to benchmarking, this was not available at the time, and as will become abundantly clear from the discussion below, this indicates an important gap in the benchmarking related research.

3.5.1 How the Benchmarking Process Has Spread

The practitioner-focused benchmarking literature is replete with reports, case studies, and anecdotal accounts of the widespread diffusion of the benchmarking process across geographical and industry boundaries (i.e. manufacturing and service, public and private, etc.), as well as its application to a growing number of functional and generic business processes, products and services[xlvii]. An 'explosion of interest', as Andersen and Camp (1995:21) refer to it, has occurred since the technique was first 'imported' from Japan by Xerox in the late 1970s (Zairi, 1994:11). Stories of Xerox's successful attempts to restore its pre-eminent position in the photocopier market which had come under threat from intense Japanese competition, began to reach the business and speciality press as early as 1982. (See for example Kelsch, 1982, Pipp, 1983, Glavin, 1984). Beginning about the same time, a select number of quality-conscious organisations, such as GTE (see Drozdowski, 1983), Motorola, Boeing, and Digital, had begun to notice Xerox's example. A further boost came in 1986, when Jacobson and Hillkirk published the book, Xerox: An American Samurai, which vividly highlighted Xerox's quality improvement drive, including its use of competitive benchmarking. However, it was not until the late 1980s before benchmarking started to diffuse to the wider business community. Before that time, less than thirty articles had been written about it, and no books, specifically on the topic, had been published (Spendolini, 1992:5). Essentially, the technique had yet to diffuse outside of a small, though high profile, group of large U.S. (primarily) manufacturing organisations that had implemented total quality management.

In 1989, two events coincided which brought the practice of benchmarking to the attention of a growing number of managers, business leaders, quality professionals, consultants and academics. The first of these events was Xerox's selection as the winner of the Malcolm Baldrige (U.S.) National Quality Award. The Baldrige Award not only requires external comparison with competitors and best-in-class organisations in order to be considered for selection[xlviii], but it also obliges winners to act as role models and share information about their quality strategies and practices with other members of the business community (Malcolm Baldrige National Quality Award Consortium, 1990). Thus, Xerox's receipt of the Baldrige Award worked in several ways to enhance the diffusion of benchmarking. First, receipt of the award helped legitimise Xerox's use of benchmarking, as it was evident the practice was a key part of Xerox's three-pronged quality strategy (see Spendolini, 1992:6), which in turn was considered a key factor in their successful competitive recovery. This

helped exert what DiMaggio and Powell (1983:152) call 'normative isomorphic pressure' on both quality professionals and the wider business community to imitate Xerox's use of benchmarking in order to enhance their own legitimacy. The Baldrige Award also exerted mildly 'coercive isomorphic pressure' (DiMaggio and Powell, 1983:150) on applicants, or those considering application, to adopt benchmarking, since benchmarking was a key requirement of the Award criteria. Second, the Award's 'open house/open door' requirement effectively broadcast the technique to a much wider audience than had previously been aware of the practice, allowing normative isomorphic pressures to develop amongst an expanding new audience of organisations. This helped encourage a number of organisations to try to follow Xerox's benchmarking example (Hackman and Wageman, 1995:316).

Xerox's Baldrige Award was followed closely by the publication of Robert Camp's Benchmarking: The Search for Industry Best Practices that Lead to Superior Performance. Camp (1989) provided practitioners (i.e. quality managers and consultants) with the first in-depth guide to the benchmarking process. It was based on his first-hand experience with Xerox, and, in particular, his leadership of a warehousing and order picking benchmarking study with LL Bean, the mail order company. Camp's book led to further awareness and legitimisation of the benchmarking process, amongst the quality management profession, thus giving a further boost to the diffusion process (see also Spendolini, 1993:6-7). Since the publication of Camp's book, several hundred articles and dozens of books on the topic have appeared[xlix], most repeating the Xerox story. These publications have also contributed to the diffusion of the benchmarking process amongst the business community.

Heightened awareness and interest has been attenuated by a general increase in the intensity and complexity of competition that has placed additional pressure on organisations to rapidly improve their business practices and processes (Camp, 1995; Codling, 1992). This pressure has been accompanied by a growing dissatisfaction, in some quarters, with the quality and rate of improvement generated by internally focused quality improvement programmes (see for example, Hammer & Champy, 1993). DiMaggio and Powell (1983:152) argue that, in the face of increasing uncertainty and complexity, "organisations tend to model themselves after similar organisations in their field that they perceive to be more legitimate or successful." Consequently, they will often mimic the practices, which appear to bring success in these role-model organisations. They (p. 151) refer to this as

'mimetic isomorphism'. Contact with other organisations could come through common membership of professional societies and trade associations, through inter-locking directorates, through movement of personnel, sharing of consulting firms, etc. It could also come through an active, systematic search for role model organisations. As DiMaggio and Powell (p. 151) point out, imitation can often be an economic alternative to an often problematic and costly search for other alternatives. If one assumes limited or bounded-rationality on the part of organisational decision makers, then in the face of increasing complexity and uncertainty organisations may be encouraged to employ decision-making heuristics, like imitating apparently successful organisations, to economise on the cost of a more complete search for alternatives[1]. To the extent benchmarking becomes a practice closely associated with successful organisations in a field, it is likely mimetic isomorphic pressure will encourage its diffusion to other organisations in the field that face increasing uncertainty and complexity. Likewise, the efforts of groups, such as the DTI, the Training and Enterprise Councils (TECs), Quality Foundations, as well as the growing army of consulting firms, academics, and authors, to draw attention to successful firms and their practices, to legitimise the practice of benchmarking, and/or to 'coerce' its membership to adopt it, should further encourage the diffusion of benchmarking.

While increasing awareness, coupled with competitive and institutional isomorphic pressures, have helped to spread the practice of benchmarking, factors internal to the organisation may also have contributed to the diffusion process. The diffusion of innovation literature suggests several factors, which may influence an organisation's decision whether to attempt to imitate or adopt an innovation (see also above). Some of the events described above would appear to have helped positively influence these factors and consequently increased the likelihood of adoption of the benchmarking process. For example, the publication of Camp's book, and others like it, have helped to make the implementation of the benchmarking process more understandable (i.e. simplicity). Similarly, Xerox's quality award, as well as the numerous books and articles written about benchmarking, have made the potential benefits of adoption more widely known, and observable, as well as contributed to the perception that benchmarking may be a superior method of developing best working practices and creating and sustaining competitive advantage. At the same time, inclusion of benchmarking in the quality award criteria, may help convince those using the award criteria for self-assessment that benchmarking is compatible with their values and experiences (homophily), and, therefore, should be adopted.

The principle of homophily (see also above) has several implications for explaining the spread of benchmarking. First, as noted above, benchmarking, like T.Q.M.., originated in Japan. As Powell (1995:21) points out, the Japanese origins of many T.Q.M.. practices, benchmarking included, often produces inherent heterophily (opposite of homophily) between innovators and potential adopters that would discourage attempts at imitation. Therefore, it would be expected that organisations, which were most homophilious with large Japanese firms, which used benchmarking, would be the first to adopt the practice. As Powell (1995:22) notes, these are likely to be large (U.S.) manufacturers, which have come under threat at home from Japanese and other Asian competition, and/or those, which competed (alongside the Japanese), in global markets. Organisations, which fit this description, such as Xerox, Motorola, DEC, Ford, GTE, were some of the first to bring benchmarking to the West. As such, they served as role models for Western organisations, and encouraged adoption among homophilious organisations in the West. Consequently, widespread benchmarking by other large Fortune 1000 (and later Times 1000) organisations has been reported in both anecdotal and survey form (see below). At the same time, the vast majority of organisations which don't fit the description of large global competitor, may be resistant to the practice because they associate it with organisations which bear no resemblance to their own, in terms of objectives, competitive situation, norms, values, beliefs and the like. Consequently, it could be expected that benchmarking, like TQM, may be considerably less widespread outside the relatively small circle of Fortune 1000/Times 1000 organisations (see Powell, 1995 for a further discussion of this issue).

3.5.2 Anecdotal Evidence: Everybody's Doing It

To begin, it would be useful to look at some of anecdotal evidence of benchmarking activity. This evidence seems to fall into two basic categories. The first category might be termed the 'Everybody is Doing it Category" (and by implication: why aren't you?). These are claims, made by various benchmarking authors, consultants, practitioners, academics and the like, of the extensive (and rapid) proliferation of benchmarking throughout large and small, public and private sector organisations in the U.S. (and more recently Great Britain and the rest of the European Community). The following examples illustrate this type of evidence:

> *"Corporations large and small across the United States are turning to a process known as benchmarking in an attempt to improve the quality of their operations, products, and services, to increase profits, and to achieve competitive advantage."*

(Mittelstaedt, 1992)

"Now especially in the past two years, it (benchmarking) has spread like wildfire throughout U.S. companies of all sizes, as well as throughout governments, universities, the service sector, and the health care industry. The trend is spreading so fast that benchmarking professionals will not be able to keep up with all the requests for information and expert advice."

(Ettore, 1993:10)

and:

"Interest in benchmarking has virtually exploded since 1979 when Xerox first introduced it. Today benchmarking as a tool is widely used. It has spread geographically to large parts of the world and proliferated in a variety of manufacturing, health care, government and educational organisations"

(Andersen and Camp, 1995:21)[ii]

or finally:

"At last count, over 500 European organisations, including divisions and subsidiaries were actively involved in process benchmarking- in 1992 less than 50 companies had established benchmarking programmes. Many more organisations, both private and public, are now participating in benchmarking clubs and networks at the regional, national and pan-European level."

(Chase, 1995:32)

In no case, are these statements backed up by any reliable, methodologically sound research.[iii] Likewise, no effort is made to classify the type of benchmarking employed or to judge the maturity of the approach taken by organisations. Thus, much reported benchmarking activity might be of a superficial, immature variety, focused on metrics and competitive comparisons. In some instances, claims of extensive benchmarking activity may be based on the author's extensive consultancy (or similar) experience amongst organisations that are not representative of the typical organisation (for example, experienced benchmarkers, large multi-national organisations with well developed total quality management programmes). Similarly, these authors may be confusing growing interest in benchmarking, with actual benchmarking activity by any significant percentage of organisations. More cynically, drumming up interest in benchmarking may be self-serving. That is, it may potentially enhance consultancy revenues, or help justify public expenditure on particular business development programmes.

Nevertheless, statements such as those quoted above may help generate a 'bandwagon' effect, such as that described by Powell (1995) in relation to total quality management. As a result, many other organisations, spanning geographical and sectoral boundaries, have now shown an interest in joining the 'bandwagon', and in some cases have actually joined. Authors that are more circumspect seem to recognise the distinction between an interest in benchmarking, and its actual application. In the light of the relatively dubious nature of such unsubstantiated claims for benchmarking proliferation, some experts have confined their

remarks to the growing interest in, as opposed to use of, benchmarking by organisations (see for example, Zairi, 1994).

3.5.3 Case Study Evidence: A Few Leading Lights

In the second category, is what could be referred to as the 'case studies'. In this category, evidence of extensive benchmarking is supported by citing examples of leading, high profile organisations that have used or are using the benchmarking process. As a result, household names like Xerox, Motorola, DuPont, Ford, and Exxon, in the U.S. or, Rank Xerox, I.C.L., ICI, British Airways, Phillips, Milliken, and NCR in Europe, appear regularly in articles about the benchmarking process found in the popular and practitioner literature. Related to these 'vignettes' are the full-blown case histories such as those provided by, amongst others, Camp (1995), Zairi and Leonard (1994), and Watson (1993). These authors devote a significant portion of their texts to examining case studies of companies like Xerox, Hewlett Packard, Ford, General Motors, Westinghouse, Texas Instruments, Ritz Carlton, A.T. & T., etc. Generally, the case studies show a relatively mature use of the benchmarking process (or at least point out how the approach could have been more mature) by relatively large organisations, often renowned for their use of total quality management. While they provide a model(s) of how to approach the benchmarking process, in and of themselves, these anecdotal citations and detailed case studies don't prove, or necessarily disprove, that benchmarking activity is relatively widespread, or that most organisations are mature, or immature, in their application of the process.

However, the cases studies do demonstrate that benchmarking is an activity that some large organisations with extensive total quality management experience have successfully implemented. These examples may convince organisations of similar size and quality management experience to attempt adoption of the benchmarking process. On the other hand, they may discourage organisations that do not share these characteristics from attempting benchmarking. In summary, neither the case study nor the anecdotal evidence constitute proof of widespread adoption of the benchmarking process by organisations, or that a majority of organisations are taking a mature approach to the technique. Instead, the picture that emerges from these accounts is of a select group of large, multi-national organisations with a long history of total quality management successfully applying the technique, often in a relatively mature fashion. At the same time, a significant number of organisations may be temporarily on the bandwagon, benchmarking in a relatively immature

fashion. However, it is likely only a small group of organisations will stay with the process, and progress beyond superficial applications. As Michael Spendolini points out:

Many organisations will experience benchmarking process failures and will drop out of the activity and certainly move on to another 'hot subject'. Expect a core of organisations to manage the process well and sustain it as one of the basic quality tools.[liii]

3.5.4 Survey Data: Coopers and Lybrand

Survey data indicating the extent and nature of benchmarking activity in either the U.S. or Europe is rather limited, and for reasons, which will be detailed later, suffers from several key deficiencies. Table 3.7 below summarises the findings of the main surveys, which have been conducted, as well as highlights some of the potential biases and weaknesses of the various approaches to measuring benchmarking activity. The most recent surveys of benchmarking practices were undertaken by the Gallup organisation for the consulting firm of Coopers and Lybrand (Coopers and Lybrand 1994, 1994a). Coopers and Lybrand's (1994) first survey examined the benchmarking practices of Times 1000 U.K. organisations[liv], while the second survey (1994a) applied the same methodology to a sample of large Northern European organisations.

In each case, the survey found a significant proportion of companies in the sample population using 'benchmarking' with British organisations leading the way at 78%. The survey noted the Europeans still lagged behind the U.S., where the authors stated 95% of organisations were reported to be benchmarking. In the U.K. sample, 3/4 of those surveyed planned to increase their investment in benchmarking activities, while the European sample foresaw a similar increase. Organisations were generally satisfied with the results of their benchmarking efforts (75%-U.K., 70% Europe), which, perhaps, helped explain their intention to step up investment in this area. Other points of interest in the U.K. survey, which may be used to understand the nature and extent of benchmarking activity, include:

- 20% of organisations that were benchmarking admitted to focusing only on quantitative measures in isolation
- 66% of the organisations that were benchmarking claimed to be benchmarking business processes
- While comparisons within industry and with direct competitors was most common, approximately 60% of the organisations benchmarking used best-in-class comparators
- 68% of the sample used benchmarking extensively on a regular basis

Study/ Citation	• Key Findings Related to Extent of Benchmarking Activity	• Comments
Coopers and Lybrand (1994)	• 78% of U.K.'s 'leading' companies use benchmarking. • 75% of companies that use benchmarking plan to increase investment • 20% focus only on quantitative measures in isolation. • 66% benchmark business processes. • Benchmarking more prevalent in manufacturing organisations (80%) than service organisations (60%) • More common in customer facing areas such as customer service, marketing, logistics, sales than in overhead and support areas. • Industry and direct competitors most frequent comparators • 75% viewed projects as successful	• Biased (by design) towards large organisations with greater resources for benchmarking, as well as more likely to have used related quality improvement tools and techniques. Sample distributed approximately 50/50 between service and manufacturing organisations, which does not reflect actual distribution. Technique first applied in manufacturing setting, and likely to be more prevalent. Therefore, very likely to over estimate actual amount of 'benchmarking' taking place among the general population of organisations. • Subject matter of the study (i.e. benchmarking) could have produced a greater non-response from non-benchmarking firms than from benchmarking firms, thus overestimating actual 'benchmarking' activity. • No standard definition of 'benchmarking' given by respondents. While 20% admitted, they focused only on numbers and thus, at best, viewed benchmarking as measurement and comparison of general performance. At the same time, while 66% indicated they benchmarked business processes, the survey did not indicate whether the focus was on comparison of process metrics or on understanding the underlying practices that explain performance gaps. Therefore, it is very likely only a small minority of organisations are benchmarking in the true sense of the word- i.e. measuring, comparing, understanding, and improving.
Coopers and Lybrand (1994a)	• Benchmarking widespread across Northern Europe, e.g. -72% Netherlands, -68% Switzerland, -54% France, -29% Spain • Practice is increasing year on year. • Early adopters tend to be international companies in highly competitive industries. • Little use of benchmarking groups, networks, and the like (< than 30%) • Average 70% success rate • In addition, states 95% of U.S. companies are benchmarking- no citation given for this finding.	• Larger organisation, manufacturing bias. • No common definition of benchmarking. • Same problems as discussed above.
APQC (1993) (Survey conducted 10/91)	• 76% of sample indicated they had increased their benchmarking efforts from the previous year. • 96% of sample indicated they would be increasing benchmarking efforts in the future. • Only 28% of sample deemed benchmarking a 'fad'. • 95% of sample indicated that most companies don't know how to benchmark • 70% indicated they are beginners or novices at competitive benchmarking. • 83% indicated they are beginners or novices at process benchmarking. • Less than 20% had been using benchmarking for more than 5 years. About 50% of the sample had conducted less than 6 process benchmarking studies. Just less than 50% had conducted fewer than 6 competitive studies.	• Survey conducted amongst members of the International Benchmarking Clearinghouse, which, arguably, contains relatively more experienced benchmarkers than would typically be found amongst a more representative sample of organisations. Thus views expressed by this group unlikely to be representative of majority of organisations. • 74% of sample used Baldrige criteria for self-assessment. Over 1/4 indicated they were the leader in most of their markets. 90% had 'active' T.Q.M.. programme. These findings indicate again that the sample is not representative of the majority of organisations. In addition, no indication of relative TQM maturity, only that programme is 'active'. • No standard definition of benchmarking, though does distinguish between competitive and process benchmarking. Not clear whether focus is on metrics or practices. • No estimate (biased or otherwise) of % of organisations in general population that are benchmarking.

(Table Continued on Next Page)

Rigby (1994) (Bain & Co. Survey)	• Approximately 75% of sample used benchmarking in last five years. • 95% intend do so in 1994 (i.e. next year)	• No details of sample are given. Therefore, unclear whether or not it is representative of general population. • Low response rate (5%), which could be biased towards firms using the management tools the survey, is attempting to measure (see also above). • No definition of benchmarking given. Therefore, it is unclear what type of 'benchmarking' is being conducted, or if it is benchmarking at all.
Powell (1995)	• Use of benchmarking for the sample is estimated to be in the range of begun to implement and somewhat advanced. Scored on a 5-point scale, benchmarking received an average usage score of 2.55. (5 = highly advanced, 1= not implemented but intending to in future, 0 = do not intend to implement. Of the 12 TQM factors, whose usage was estimated, benchmarking reported the lowest usage. This was followed closely by process improvement to which it is linked.	• While study did not focus specifically on benchmarking, but rather on the impact of TQM on competitive advantage, use of benchmarking amongst sample members was surveyed. The author does attempt to define benchmarking, though his definition is not complete and equal weight is given to what might be called industrial tourism and competitive benchmarking. There is no way to tell what type of benchmarking is being referred to, nor whether it is benchmarking at all. In addition, the author suggests the sample is biased towards larger, manufacturing, TQM firms. Therefore, study probably overestimate actual amount of benchmarking occurring.
Jick, et al. (1993)	• 15%of organisations sampled used boundary spanning, i.e. benchmarking, as their primary means of generating ideas which impact organisational performance	• Data based on sample of 380 businesses around the world. No other details of methodology given. • Not altogether clear whether breakdown refers to primary method of learning or only method of learning. In other words did 15% indicate boundary spanning / benchmarking was the primary means of generating ideas or it was the only means of generating ideas. Most likely, it refers to the primary method of generating ideas. Those using alternative primary idea generation methods (i.e. continuous improvement, competence acquisition, and experimentation) may also use benchmarking/boundary spanning as a secondary means of idea generation. • Interestingly, study notes the difficulty these learning types have in implementing and generalising the ideas discovered outside the boundaries of the firms.

Table 3.7: Summary of Benchmarking Survey Findings

The probability of the simultaneous occurrence of these five events, i.e. the percentage of organisations that benchmark their business processes on a regular basis with the best-in-class in order to understand not only performance gaps but also the practices which underlie these gaps can be roughly estimated at about 17% of the sample population.

Thus, it is possible only a small percentage of the population (possibly as low as 17%) may be 'mature' benchmarkers. Of additional interest, in the context of this research, is the relatively light use of benchmarking groups and consortia. The survey reports that only about 25% of the population utilise these information resources, despite a proliferation of benchmarking clubs, networks, groups, consortia, etc. (see Chase, 1995; Boxwell, 1994; or Camp, 1995 for a discussion.). For organisers of such initiatives, the relatively low usage figure may represent a significant opportunity to recruit new members since only a small proportion of the benchmarking population currently utilise this resource. On the other hand, if actual usage reflects the perceived net benefits derived from this type of benchmarking relative to other methodologies or data sources, then the outlook for these types of initiatives is rather less sanguine. Likewise, if benefits can only be derived in the case of mature benchmarkers, and mature benchmarkers represent only a small proportion of the population, then significantly less opportunity for expansion may exist.

3.5.5 Survey Data: APQC

Before the Coopers and Lybrand studies, the primary survey, directed specifically towards organisations' benchmarking activities, was conducted by the APQC, details of which were published in their Benchmarking Guide (APQC, 1993)[iv]. The APQC survey was conducted amongst members of its International Benchmarking Clearinghouse (n=68). In terms of the extent of benchmarking activity, the survey found:

- 76 % of respondents reported somewhat or significantly more benchmarking activity had taken place in their organisations compared with the previous year
- Nearly all (96%) respondents believed benchmarking activity in their organisation would increase over the next five years
- Only 28% of respondents felt benchmarking was a fad

This, according to the APQC (1993:75) clearly suggested benchmarking activity was on the rise amongst the organisations sampled- particularly, if there is a strong link between action and stated intentions. Unfortunately, it does not give much indication of the extent and nature of benchmarking activity outside a narrow range of organisations (i.e. Clearinghouse members). Of relatively more interest are the findings in relation to the sample's

benchmarking experience (and to some extent maturity). In terms of benchmarking experience, the APQC found:

- 70%of the sample considered themselves beginners or novices at competitive benchmarking
- 83% of the sample indicated they were beginners or novices at process benchmarking
- 95% somewhat or strongly agreed with the statement that other organisations did not know how to benchmark
- 20% of the sample had been using benchmarking (of any type) for more than five years
- 57% of the sample had conducted no more than six process studies (48%- competitive studies) since beginning their benchmarking activities

Taken together, these findings indicate the sample is relatively inexperienced in the practice of benchmarking (APQC, 1993:78), though their limited experience had apparently been enough to convince most of them to continue using (or increase their use of) benchmarking in future. The lack of experience is even more striking in the light of the relative quality maturity of the sample. 72% of the sample had previously applied for the Malcolm Baldrige National Quality Award, while 74% used the Awards guidelines to assess themselves. Likewise, 90% of the sample indicated they had an active total quality management programme. Furthermore, the sample was, arguably, made up of relatively more experienced benchmarkers, who had demonstrated their interest in the benchmarking process by not only joining the International Benchmarking Clearinghouse, but also assisting in its formation as part of the "Design Steering Committee". If these quality mature, TQM-experienced organisations believed they were relative neophytes, it is hard to believe that a more representative sample of organisations would not reach the same conclusion. The APQC findings support the contention that whilst benchmarking may be well known, it is unlikely to be widely practised, particularly at a very high level of maturity. Therefore, it is not surprising to find that the organisations participating in this study, while familiar with the concept of benchmarking, were hardly mature users of the process. At best, they were experienced industrial tourists with a few competitive (and occasionally internal) studies under their belts. Not exactly, the profile the researcher had initially anticipated at the outset of this study.

3.5.6 Survey Data: Other Evidence

Several other surveys have been conducted which address, to some extent, organisations' use of the benchmarking process. For example, Bain and Company, a U.S.-based consultancy, attempted to assess organisations' use of a broad range of management tools, which included benchmarking (See Rigby, 1994). The survey questioned previous/current

and intended use, and attempted to gauge managers' satisfaction with the various management tools potentially at their disposal. The survey found approximately 75% of the sample had used benchmarking in the past five years, (i.e. 1988-1993), while 95% intended to do so in the coming year (1995)[lvi]. Satisfaction with benchmarking rated approximately 3.7 on a 5-point scale, which placed it roughly in the middle of the various management tools (Rigby, 1994:8).

Jick et al (1993) also indirectly investigated the use of benchmarking by organisations around the world. The focus of their research was on how organisations generate ideas, which have an impact on organisational performance, referred to by the authors as 'learning capability'. In this context, benchmarking, or, as the authors refer to it; 'boundary spanning', is seen as one of several means an organisation can use to generate ideas with impact. Jick et al (1993) found 15% of organisations in their sample used benchmarking/boundary spanning as their primary means of idea generation. (Note: The other 85% percent may also use the process, but not necessarily as their primary option.).

Finally, research conducted by Powell (1995) into the relationship between total quality management and competitive advantage provides some insight into the extent of benchmarking activity. Powell (1995:19) identified twelve key elements of T.Q.M... factors, one of which was benchmarking. He independently tested the relationship between each of the twelve T.Q.M... factors and both T.Q.M... and organisational performance (factoring out firm size and industry effects). He also tested the relationship between T.Q.M... performance and organisational performance. Actual usage of benchmarking by adopters of total quality management scored only 2.55 on a zero to five scale constructed to measure the adoption of the various T.Q.M... factors[lvii]. This score indicated the sample organisations, which had adopted total quality management, did not consider themselves particularly advanced in terms of the implementation of benchmarking. This score left benchmarking ranked the lowest in terms of adoption/utilisation of the twelve T.Q.M... factors. In addition, Powell (1995:27) found no significant relationship between the use of benchmarking and T.Q.M... programme performance or overall organisational performance.

3.5.7 Problems with the Survey Data: Sample Bias

Before attempting to draw any conclusions about the extent and nature of benchmarking activity based on the survey evidence just presented, it would be useful to highlight some of

the potential weaknesses and biases in the various approaches. Two primary factors exist which may inhibit interpretation of some of the survey data, as well as making it difficult to generalise from the sample to the wider population of organisations. These difficulties could be described as follows:

- Sample bias
- Failure to define the term 'benchmarking'

In the first instance, the sample may be biased towards firms that are inherently more likely to be experienced benchmarkers because of their size, sector, T.Q.M. experience and development, or other characteristics. As Powell (1995:22) has argued, large organisations, and in particular, manufacturing organisations competing in highly competitive global markets, have been among the earliest and most enthusiastic adopters of total quality management. As such, they are likely to be more quality mature or developed than organisations that do not possess these characteristics. If one accepts that benchmarking is an advanced total quality management practice, then it could be expected that quality mature firms would be more likely to apply (or attempt to apply) benchmarking, than organisations that are less quality mature. Therefore, if the sample population is biased towards organisations, which are more likely to be quality, mature, and consequently more benchmarking mature, the survey findings are likely to overestimate the extent and maturity of benchmarking activity within the general population of organisations. Put simply, most organisations are either not as quality mature or benchmarking mature (or both) than those sampled as part of some of the surveys described above. Thus, the actual rates of usage and the relative maturity of use are likely to be significantly lower than reported in the survey, case study, or anecdotal reports.

The Coopers and Lybrand surveys, for example, rely on the experiences of large, Times 1000 or equivalent organisations. Additionally, the sample consists of approximately 60% manufacturing organisations, which overstates the proportion actually found amongst the wider population of firms. Similarly, public sector organisations, like hospitals, schools/universities and government agencies are excluded from the sample. Taken together, these are likely to bias the sample towards the experiences of more quality mature organisations, and consequently, to overstate actual benchmarking activity (see Powell, 1995 for a discussion of the impact of manufacturing bias). The APQC survey purposely selected quality mature organisations (see above for description of sample), which are (not

surprisingly), predominantly large multi-national manufacturing organisations (See A.P.Q.C., 1993:74-75) for a list of organisations participating in their survey. To make matters worse, the sample was composed primarily of members of the International Benchmarking Clearinghouse Design Steering Committee, who would, arguably have more experience with benchmarking than the typical organisation. As a result, the extent and nature of benchmarking activity reported by APQC survey participants is unlikely to be replicated in a more representative sample of organisations. Similarly, the sample population from which participants in the group benchmarking project were drawn would probably not have the same level of quality management and benchmarking experience. Arguably, their interest in the project, and participation in the Best Practice would indicate a higher level of quality maturity than the 'typical' organisation.

Of the other surveys described above, neither Jick et al (1993) nor Rigby (1994)[lviii] give much detail of the sample population upon which their findings are drawn. Therefore, it is unclear whether any systematic bias exists in the data related to benchmarking. In the case of Powell's (1995) survey, the author expresses some concerns (p. 32-33) about a T.Q.M... bias in the sample, due to the subject matter[lix]: In addition, he notes the firm size limit of 50+ employees, which was placed on the sample, could have also contributed to a pro-T.Q.M.. bias. Of additional interest was the composition of the sample, which contained 58% T.Q.M.. adopters and 42% non-adopters, which Powell notes (p.29) stands in contrast to other studies which put adoption rates at 93% and 74.5% amongst the largest U.S. firms[lx]. In addition, Powell argues (1995:33) the actual proportion of T.Q.M.. firms in the population is likely to be significantly less, perhaps closer to 30 percent. More importantly, in the context of this research, the 2.55 figure cited above for benchmarking adoption, is that reported by a final sample that is biased (72% T.Q.M.. adopters vs. 28% non-adopters)[lxi]. If as argued previously, T.Q.M.. adopters are more likely to adopt benchmarking, then this figure, probably significantly overstates actual adoption of benchmarking in a more representative sample of organisations.

3.5.8 Problems with the Survey Data: Definitional Issues

The second critical, and perhaps most significant, difficulty to plague much of the survey research is one of definition. In several cases, for example Coppers and Lybrand (1994, 1994a) and Rigby (1994), the surveys do not define what is meant by 'benchmarking'. Therefore, it is left up to the respondents to decide for themselves, what the term

'benchmarking' means, and then to determine whether or not their organisation is doing it, has done it in the past, or intends to do it in future. Similarly, while Powell (1995) creates a scale which effectively defines benchmarking as:

- comparing vs. competitors
- researching best practices
- visiting other companies

The composite score he obtains based on the average of these three items, sheds little light on survey respondents' benchmarking activities.

The authors of the Coopers and Lybrand study admit (1994:11) that the wide variety of definitions of benchmarking given by respondents indicates the degree of confusion, which exists amongst practitioners over what constitutes benchmarking (see also above: Types section). Coopers and Lybrand (1994:13) found survey respondents' definitions of benchmarking fell into four general categories that included:

- competitive analysis
- performance measurement
- standard setting
- best practice

Only the last category represents a more mature understanding of the benchmarking process, and most closely corresponds to Coopers and Lybrand's own definition of the benchmarking process. Unfortunately, the survey does not directly indicate the percentage of organisations, which shared Coopers' view of the benchmarking process, nor does it indicate the percentage of organisations, which fell into each of its definitional categories. While one of the stated objectives of conducting, the survey was "to find out the type of benchmarking used" (1994:7), this seemed to be accomplished in only a general way. Little insight is shed into the maturity of organisations' approaches to benchmarking. No attempt was made to define the various types of benchmarking or to measure organisations' use of the various defined types. Similarly, no attempt was made to define a mature approach to benchmarking, or to measure the maturity of the sample's approach to the benchmarking process. The 66% which reported they benchmark business processes (1994:12) could be doing so primarily to set goals or standards, to compare performance metrics, or as a competitive analysis tool. If so, the balance would be tipped more towards metrics, and on establishing the extent to which an organisation's own performance varies from external

standards of performance (another department/division, a competitor, a best-in-class organisation, or the like).

Perhaps the safest conclusions that can be drawn from the Coopers' studies (or Rigby, 1994) are that a significant number of large organisations are currently using a process which they refer to as 'benchmarking', and that they intend to continue doing so in future. How closely this 'benchmarking' resembles the methodologies proposed by 'experts' such as Camp, Watson, Spendolini, Zairi and Leonard, Bendell, or consultants such as Coopers and Lybrand, or the approach taken in this research programme, is not altogether clear. A further attempt will be made below to answer this question, by consulting these experts directly.

3.5.9 What Do the Experts Say?

The final piece of evidence to be considered in this discussion of the extent and nature of organisations' benchmarking activities is what could be called the 'expert testimony'. That is, what do the benchmarking experts and 'gurus', i.e. those authors, consultants, and practitioners, whose work forms the basis for this literature review, think about the spread of benchmarking? Thus far, the anecdotal evidence and case reports of extensive benchmarking (of a mature variety) has been unconvincing. Similarly, the survey data, when carefully analysed, does not provide compelling evidence of widespread or mature use of the benchmarking process outside of a small group of large organisations. Therefore, it is worthwhile consulting the opinions of those acknowledged as 'experts' to shed some light on these issues.

The four elements of a mature approach to benchmarking have been outlined above. Likewise, a maturity profile, designed to measure an organisation's progress towards benchmarking excellence has been proposed by consultants Coopers and Lybrand and is reproduced in Table 3.8.[lxii] Unfortunately, no attempt to apply the framework or to rigorously test its validity and/or reliability has been made. Similarly, no survey of benchmarking activity has used the Coopers maturity matrix, or a similar tool, to determine the actual nature of organisations' benchmarking activity or to map the relative benchmarking maturity of a given population of organisations, whether these be large organisations or small to medium-sized businesses, manufacturing or service organisations, 'quality mature' organisations, U.S., U.K. or European organisations.

Zairi, in a BBC interview stated that the estimated 78% U.K. benchmarking figure cited above was probably closer to 5-10%[lxiii]. Chase, writing in an introduction to the September 1994 issue of The Benchmark also dismissed this figure as wishful thinking. Likewise, Watson has described most organisations' benchmarking activities as 90% inspiration and 10% perspiration, and therefore unlikely to be regarded as a mature application of the practice (Watson, 1993). Similarly, the CCI (1993) argues that 85% of most 'benchmarking' activity is actually industrial tourism. Finally, representatives of Coopers and Lybrand themselves, doubt whether the figures they report of benchmarking activity by U.K. and European companies represent in any meaningful way the level of mature benchmarking currently being undertaken[lxiv].

Summarising the views of these experts one could conclude that most benchmarking activity, except in the most quality mature organisations, will have a tendency to focus on metrics and not on best practices, and/or will more closely resemble industrial tourism. The activity, when it occurs at all, will tend to be aimed towards product and service comparisons, particularly of customers' perceptions of the products and services, or on high-level financial and non-financial performance measures. The business processes that underlie these measures and help deliver the products/services, which deliver satisfaction to the customer, are likely to be ignored or poorly understood (see for example, CCI, 1993). Most comparisons will be confined to competitive and industry boundaries (Coopers and Lybrand, 1994, 1994a), reducing the likelihood of breakthrough learning occurring. At the same time, excursions outside of these boundaries will tend to be 'transaction' focused, rather than relationship focused, thus decreasing the opportunity for organisations to develop true strategic benchmarking partnerships.

3.6 Quality Maturity and the Link to Benchmarking

The discussion of benchmarking maturity is underpinned by an understanding of the relationship between the application of benchmarking and the level of an organisation's quality maturity. This relationship is explored extensively by Watson (1993:41-44) who believes the application of benchmarking should be matched to an organisation's relative quality maturity.

	Innocence/ Awareness	Understanding	Competence	Excellence
Reasons for Adopting	It seems everyone else is benchmarking so we must. Can we get some competitive positioning benchmarks?	Recognise the value. Need to know how others do it better? Can we get some improvement? Benchmarking not benchmarks	Benchmarking positioned against other techniques. Can we get some learning?	To gain competitive edge and achieve best in class. Looking to win awards such as EFQM & EBPBA
Sponsorship Provided	Lip service	Provision of resources and championing	Active participation by senior management	Full involvement and recognition of benchmarking is built into strategic management
Use & Commitment of Resources	None or part-time	Dedicated and centralised	Centralised support devolved out to individual units	Systemic, everyone does it ; fully integrated into other activities
Innovative Selection of Partners	Competitors	Process selection before partner selection but partners still generally w/ithin the same industry or function	Process drivers understood and used to select partners	Creative selection outside industry in the search for best-in-class
Use of a Benchmark-ing Process	Trial and error. No defined process	Defined and used by rote	Facilitated	Conscious framework, continually assessed and improved
Appropriateness of Benchmark-ing Team	Interested 'untrained' parties	Specifically selected and trained	Specifically selected, trained, with facilitator and occasional external input	Self-generating from within and without the organisation, e.g. customers and suppliers
Understanding of Own Performance	No documented knowledge	Understand strengths and weaknesses. Process document with e.g. flow model	Process documented, measured and owned	Reviewed, continuously improved. Attributes/drivers of performance understood
Research Methods	Ear to the ground Industrial tourism	Structured data capture mechanisms. Questionnaires & database interrogation. Members of a Benchmarking Club	More sophisticated in their approach to research including maturity profiles and influence diagrams	Creating and building networks
Probity	Industrial spies Illegal or damaging approaches to partners	Use of IBC Code of Conduct	Understand the nuances addressed by the Code of Conduct	Improving Code through networking and refinement
Making it Happen	Denial or piecemeal acceptance of benchmarking analysis	Report produced and accepted by sponsor. Implementation resourced	All outputs from analysis assessed and adapted to fit.	Seamless integration into action. Accepted as part of continuous improvement
Implementation of Change	Do not know if it made a difference. Benefits unquantified	Measurement system in place and improvement tracked	External feedback received as to improved performance	Customer/supplier/market signals positive feedback. Improved competitive advantage as a direct result.
Win-Win Relationships	Mutual relationships not established	Results feedback to partners. Project is internal case study that stimulates others	Relationship established with partner and project's success is publicised externally	Relationship well established and matured beyond benchmarking

Table 3.8: Coopers and Lybrand: Benchmarking Maturity Profile (copyright Coopers and Lybrand 1996)

Following the work of Crosby (1979:25-40), Watson classifies organisations into four levels of quality maturity:

- Inspection
- Control
- Partnership
- Maturity

Watson suggests it may not be necessary to reach full quality maturity before utilising certain types of benchmarking, only that the level of sophistication of the benchmarking application should complement the level of quality maturity of the organisation. Thus, for an organisation at the earliest stages of quality maturity, i.e. inspection, any form of benchmarking is generally inappropriate. After reaching the stage of control, an organisation may be prepared for competitive/performance studies, and perhaps initial strategic studies. It is not until the partnership and maturity stages that business process benchmarking begins to take root and becomes an integrated part of the management process.

As an organisation approaches quality maturity a number of key elements emerge which lay the groundwork for the successful use of benchmarking (see for example Bendell et al., 1993; Watson, 1993; Zairi and Leonard, 1994; Hackman and Wageman, 1995). These elements include:

- an understanding of critical success factors
- identification of key business processes
- a business process management orientation
- documentation and measurement of key processes
- data-driven decision making
- familiarity and use of basic quality improvement tools and techniques including problem solving tools and techniques, process mapping, statistical process control
- increased intra-organisational teamwork and co-operation (internally and across supply chains)
- a culture openness and empowerment and a willingness to embrace change and continuous improvement

Maturity, in Watson's continuum, is similar to a score of 1000 points on an application for the European Quality Award, an elusive state of "nirvana", where benchmarking is second nature. Unfortunately, very few organisations actually ever approach this state. Certainly, no organisation participating in this research could be seen anywhere close to the gates of quality heaven.

Zairi and Leonard (1994) argue rather weakly that limited benchmarking may, in certain instances, help introduce total quality management, by providing the organisation with a 'wake-up' call to action, they generally seem to agree the chicken (T.Q.M..) must come before the egg (benchmarking). However, leaving the final word to Watson (1993:40):

> *Companies that have failed to benefit form their benchmarking efforts tend to overlook a basic prerequisite: quality preparedness.*

They simply are not ready for benchmarking.

3.6.1 Levels of Quality Maturity: Dale, EFQM, IBM/LBS

Where most organisations fit on the quality maturity grid, and thus whether the majority of organisations are ready to attempt business process benchmarking (or are likely to encounter difficulties due to lack of maturity) is not specifically addressed by Watson (1993). By briefly reviewing several other sources, and making a few common sense assumptions, some partial answers to this question begin to emerge. Dale and Smith (1997)[lxv], for example, have proposed a quality maturity framework similar to that discussed by Watson. As shown in Figure 3.6, they identify six stages through which organisations pass on their total quality management journey. They describe the various characteristics and behaviours with respect to quality management, which organisations typically display at each stage of development. Dale and Smith do not identify the relative number of organisations at the 'entry' level of quality development. However, in an earlier article Dale et al (1994) argued that less than two hundred organisations world-wide have reached the status of award winners, and only about ten companies have achieved world class status (award winning status and world class would most likely correspond to Watson's (1993) maturity. As benchmarking is a necessary activity for consideration in both the European and U.S. national quality awards, it is probably safe to assume these two groups of organisations are mature enough to use business process benchmarking. Level four organisations, the 'improvers' have made significant quality progress over a five to eight year period, and are beginning to put the 'total' into quality management. Dale and Smith estimate they would score between 300-650 points on the EFQM Model. Whilst not yet award winners, they may be ready to apply for an award, which is, in itself, likely to be one indication of their relatively high level of quality development when compared to most organisations. In this researcher's experience, these organisations apply for, but do not usually win the national/international quality awards. Again, Dale and Smith do not attempt to quantify the size of this group, though their description of the behaviours and characteristics displayed

by organisations at this level indicates that only a small percentage of organisations, perhaps 10%, could be classified as improvers. Most likely, the vast majority of organisations, perhaps 80%, fall into Dale and Smith's Drifters and Initiators categories (formerly known as tool-pusher and drifters- see Dale et al, 1994). The remaining 10% occupy levels one and two, either 'Unaware' or 'Uncommitted'.

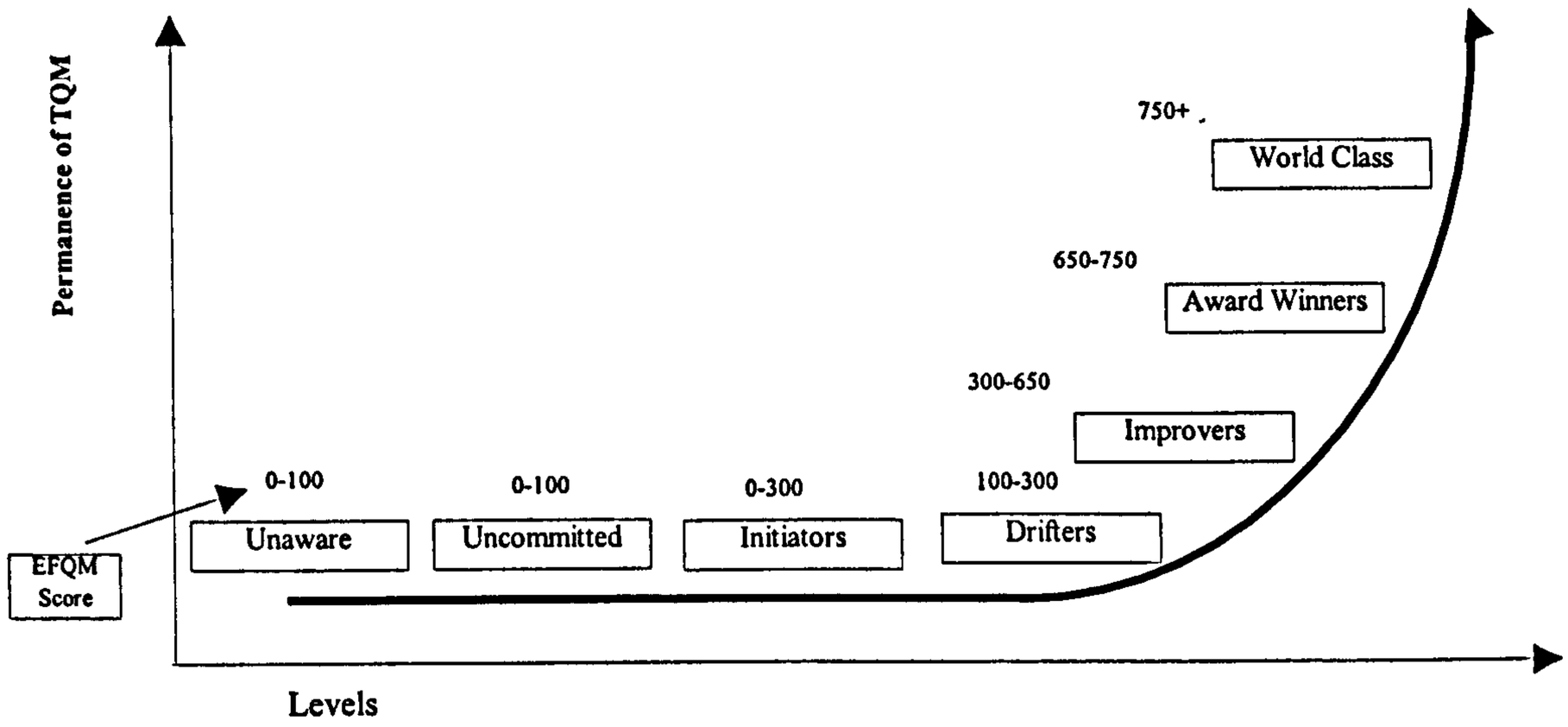

Figure 3.6 The Quality Maturity Grid (Dale and Smith, 1997)

More simplistically, if one assumes quality maturity is a characteristic, which is normally distributed amongst the population of organisations, then it is likely that about 80% of organisations fall within +/- one standard deviation from the mean- i.e. about average in terms of quality maturity. Thus, about 10% would likely fall well below the mean (i.e. greater than one standard deviation), while the remaining 10% would exhibit quality maturity significantly above the norm of most organisations. The middle/mean of the quality maturity grid is likely to be between control and partnership in the language of Crosby and Watson, and at the high end of the Initiator and Drifter or the low end of the Improver categories in the vocabulary of Dale et al (1994).[lxvi]

Several other sources of data, to some extent, confirm this assessment of the relative quality maturity of most organisations. For example, the average score given by trained assessor teams to applicants for the European Quality Award[lxvii] can be roughly calculated. By making some simple assumptions[lxviii], the average score works out to about 488 points, out of a possible 1000 points (see Figure 3.7). This roughly corresponds to Dale et al's (1994) or Dale and Smith (1997) improvers category. Assuming improvers and quality award applicants are not necessarily representative of the population of organisations, but

rather occupy the right-hand 10% of the distribution, then it is likely the typical organisation falls well below this 'halfway point' of quality maturity, and likely resides in the 300 point range populated by initiators and drifters (formerly known as 'tool-pushers'). It should also be noted that an organisation could still score at about the 50% level in the results section of the model, which comprises one-half of the total points awarded, without demonstrating any significant benchmarking activity. Even above this level, the focus of benchmarking (in this researcher's experience[lxix]) is on the gathering of measures, not the search for best practices. Similarly, in the enablers section related to process management, very little emphasis is placed on benchmarking of key business processes. Thus, even 500 point organisations, which it is argued are significantly more quality mature than the 'typical' organisation, may not necessarily be engaged in significant amounts of business process benchmarking. Whether this is by choice, i.e. benchmarking is not perceived as particularly beneficial, or by default, i.e. the organisations lacks the capability/maturity to benchmark, is ambiguous.

The findings of the IBM/LBS (1994) study discussed earlier also provide some further insight into the question of the relative distribution of quality maturity amongst the population of organisations. The report (p.8-9) divides manufacturing sites into six groups (see Figure 3.8), based on the extent to which the site has adopted best practices and the level of performance it has achieved. At the top of the list are world class, which they define (1995:8) as the point where companies equal or surpass the very best of their international competitors in every area of their business. This represents a score of at least 80% for both practice and performance. These organisations comprise about 2% of the sample. The relatively small number of world class companies found in the sample confirms the findings/conclusions of Dale et al (1994), Dale and Smith (1997) and Watson (1993). This group is followed by nearly 46% of the sample, labelled 'contenders', which, according to the authors (see p. 8), have the potential to compete internationally, and could perhaps develop into world class organisations. The third category, labelled (p. 8) as 'promising', make up a further 19% of the sample. They are doing many of the right things, but have yet to reap much benefit from their efforts. While some lag is inevitable, factors such as a change resistant culture, poor implementation, lack of executive support and commitment seem to have inhibited their progress (IBM/LBS, 1994:18).

ANALYSIS OF E.F.Q.M. QUALITY AWARD APPLICANTS (1992 DATA)*

CRITERION	SCORE RANGE	0 10	11 20	21 30	31 40	41 50	51 60	61 70	71 80	81 90	91 100	AVG. SCORE	WEIGHTED AVG. SCORE
	AVG.	5	15.5	25.5	35.5	45.5	55.5	65.5	75.5	85.5	95.5		
	WEIGHT												
LEADERSHIP	1.00	0	0	5	30	20	20	25	0	0	0	49	*49*
POLICY & STRATEGY	0.80	0	5	10	25	20	15	10	5	10	0	49	*39*
PEOPLE	0.90	0	0	5	25	20	15	25	10	0	0	52	*46*
RESOURCES	0.90	5	0	5	15	25	15	20	15	0	0	51	*46*
PROCESSES	1.40	0	0	5	25	35	10	10	15	0	0	50	*69*
CUSTOMER SAT.	2.00	0	5	15	20	20	10	10	20	0	0	48	*96*
PEOPLE SAT.	0.90	0	10	20	25	0	20	15	10	0	0	44	*40*
IMPACT ON SOCIETY	0.60	0	5	10	30	15	25	5	10	0	0	46	*27*
BUSINESS RESULTS	1.50	0	0	5	25	30	10	10	20	0	0	51	*77*

AVG. TOTAL. SCORE	488

Source: The U.K. Quality Award: Guide to Self Assessment. Published by the British Quality Foundation.

Figure 3.7: Estimate of Average EFQM Applicant Scores

The remaining one-third of the organisations sampled, lag behind in terms of practices, performance, or both. They fall into three categories:

- 'Won't Go the Distance' (9%), which show relatively strong performance without displaying the requisite investment in best practices
- 'Make-weights' (20%), which lack both the practices and performances to compete effectively over the long term
- 'Punch-bags' (4%), which represent the lowest level of achievement in terms of practices and performance

These final three groups of organisations could be lumped into Dale and Smith's (1997) category of the uncommitted and unaware. Overall, the study showed (p. 7) the practice performance index for the entire sample to be both widely and normally distributed, This suggests a conclusion similar to the one reached above that quality development resembles a normal distribution, with the vast majority of organisations falling somewhere in the middle of the grid.

3.6.2 Implications for This Study

One definitive conclusion this brief review of quality maturity can draw is that only a small minority of organisations actually occupy the level of award winners, world class, or can be considered quality mature. Whilst a significant percentage of organisations may have the 'potential' to reach this level, it is far from clear whether and/or when they actually will. Potential, in this instance, seems to be rather broadly defined, and the probability of actually reaching it, equally unclear. At the same time, a significant proportion of organisations have

been found to be lacking in practice, performance, or both, and therefore lag significantly behind in the drive to compete internationally. This leaves the vast majority of organisations occupying the middle of the quality maturity grid, however it is labelled.

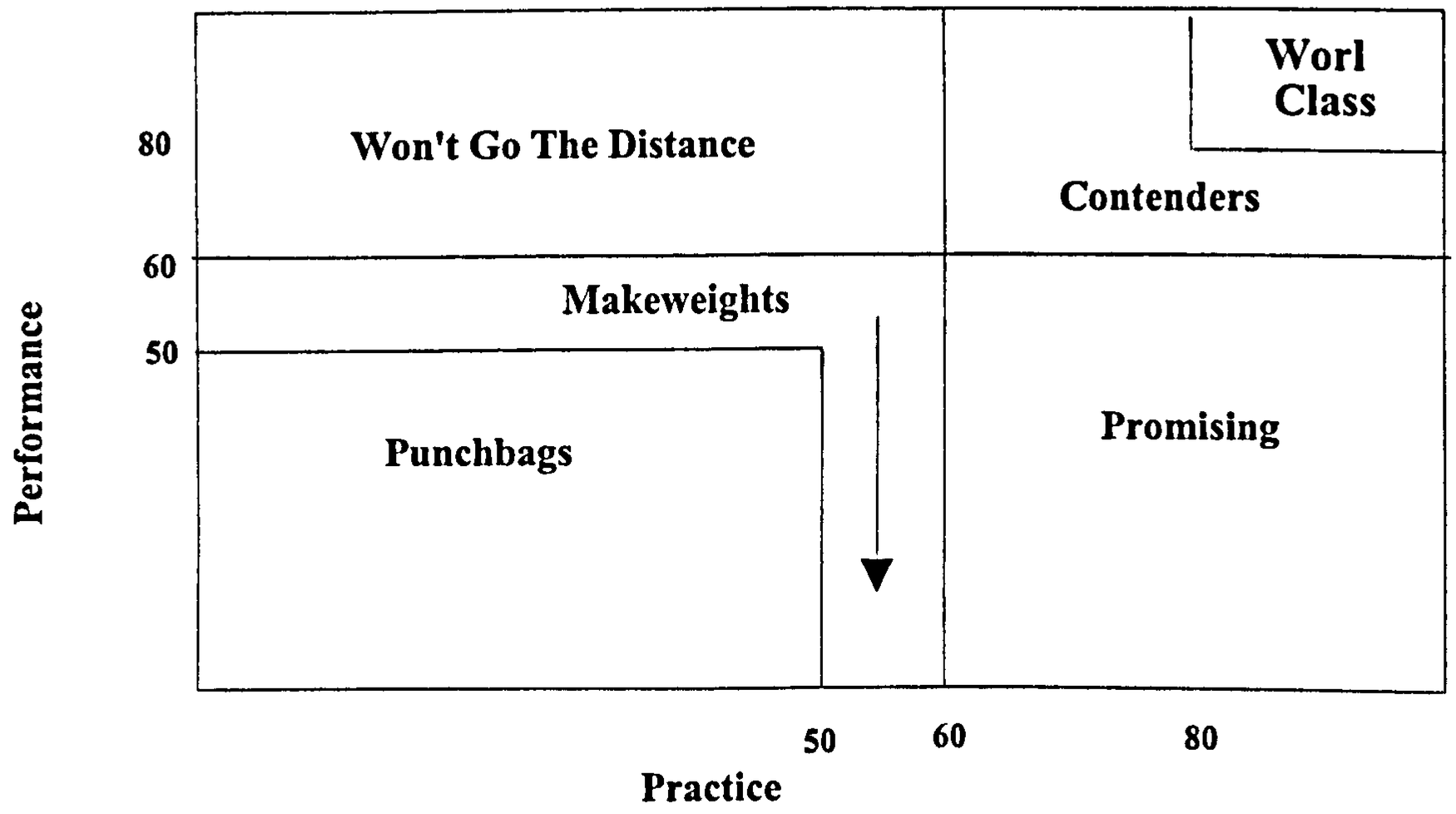

Figure 3.8: IBM/LBS- Practice-Performance Classification Scheme

There are several implications for the practice of benchmarking. These can be summarised as follows:

- Organisations which have yet to reach at least the 'partnership' (Watson/Crosby), 'Improver' (Dale and Smith, 1997), or the upper echelon of the 'contenders' (IBM/LBS) stage of quality management development that may not be ready for business process benchmarking (see Watson, 1993).
- The focus of benchmarking efforts for organisations which fall below the upper levels of quality development should probably be limited to industry/competitive studies conducted by small specialist benchmarking teams/third parties, or should be management-directed strategic studies.

As Watson (1992) notes, industry and competitive studies require less internal organisational preparation and resource commitment than business process-oriented efforts. At the same time, they may pave the way for the application of business process benchmarking at some later stage of development. As Zairi and Leonard (1994), amongst others, have pointed out, industry and competitive studies which highlight significant gaps (negative) in performance may spur an organisation's quality improvement efforts. This may, in turn, enhance the organisation's relative quality maturity, and enable it to successfully engage in business process benchmarking at some point in the future. This perspective is

supported by research done in the field of organisational learning which found organisations are more likely to change and adapt when performance falls below their aspiration levels or their goals (Lant and Mezias, 1990:149).

The relationship between quality maturity and benchmarking also has several implications for the group benchmarking process. These include:

- A 'randomly' selected (benchmarking) network (such as the one described in this study) is likely to be composed primarily (i.e. 80%) of organisations, which are not necessarily ready for business process benchmarking. The upper 10% will be capable of business process benchmarking in a common interest group/network context. The bottom 10% will be incapable of any type of benchmarking. The middle 80% are probably capable of some type of benchmarking but is probably not ready to start with business process benchmarking done in small common interest groups.
- Network members may need significant development in order to business process benchmark effectively, and may need several attempts before gaining any degree of proficiency.
- Initial attempts at benchmarking may be relatively 'slow' as 'immature' participants find themselves on a steep learning curve.
- The more mature (and the very least mature) organisations may exit the network because they are in the minority and do not have anything in common with the majority of the organisations which make up the network.
- Within the 80% majority, there may be a relatively wide dispersion of quality maturity. Thus, some organisations may be more willing and/or able to progress through the benchmarking process than other members may. This may lead to co-ordination problems within the Network and/or common interest group. The co-ordination problems may lead to frustration and dissatisfaction at both ends of the quality maturity spectrum.

The discussion naturally raises the issue of whether the group benchmarking process should include a screening/selection process at the network formation and maintenance stages to help ensure members have achieved a level of quality maturity which can support business process benchmarking, and to balance the network composition. This may present practical difficulties in terms of both developing and applying an appropriate quality maturity test with which to screen members, as well as in terms of recruiting enough quality mature organisations willing to join the network, particularly if the network's focus is at the regional/national level. If the group benchmarking process can build, over time, the quality maturity and benchmarking capability of network members, as well as develop shared norms and values within the network, it may be possible to overcome these recruitment, screening, and imbalance problems.

3.7 Critical Success Factors- Why Do Benchmarking Projects Fail?

According to the CCI (1993:48), as few as about 5% of benchmarking visits result in the identification of process enablers and the gathering of hard metric information. In other words, the benchmarking project fails to provide the organisation with information it can use to improve its processes and performance. Unfortunately, in a significant number of instances, the benchmarking process fails to reach the discovery phase of the best practice transfer process. Whilst the previous section stressed the fundamental importance of quality management maturity to the application of benchmarking, a number of other factors have also been identified in the practitioner literature as determinates of the success (or failure) of the benchmarking process. Many of these factors closely resemble the key success factors in any other major change initiative or organisational improvement scheme (see for example APQC, 1993; Spendolini, 1992; Watson, 1992; Bendell et al., 1993; Camp, 1995, CCI, 1993). For example, the following factors are cited repeatedly by leading benchmarking authorities as key determinants of benchmarking project success:

- **Top management commitment**- As Deming and Juran both pointed out, 95% of the problem is management. Camp (1995)'s development of a benchmarking management process (see above) to support the user process developed in his first text (Camp, 1989) underscores the importance of management commitment to the success of the user process. Simply put, without top management support, a typical benchmarking project is unlikely to get off the ground, much less survive to completion. Benchmarking (particularly business process benchmarking) tends to be a resource (i.e. human) intensive activity that is unlikely to be sanctioned without senior management support. Support may be strong enough to launch the project, but not strong enough to support it for the 6-9 months necessary to reach the discovery-exchange stage of the transfer process (see Camp, 1995). If the support of top management for the project wanes, the effect on the performance of the benchmarking team is likely to be negative (Spendolini, 1992). Team members should be able to detect what behaviour/activity is valued and behave accordingly. Top management, as Spendolini (1992:25) points out provides the clear sense of purpose for the benchmarking process and its role in the improvement process.
- **Adequate resources**- Without adequate resources, primarily human, the project may quickly collapses, or move so slowly that any information uncovered is 'out of date'. Unfortunately, benchmarking takes time and effort over a sustained period. Without sustained resource, it is likely to fail to produce results. Furthermore, as Camp (1995) has pointed out, reducing the cycle time of the process is becoming an imperative because of the increasingly limited shelf life of the information it generates (see also Stalk and Hout, 1990). Cycle time can be reduced by compressing the steps in the process (for example by tapping into a benchmarking network) and/or improving team skill (through practice and training), as well as by throwing the same resources at the project over a shorter period. For example, rather than assigning six persons 1/6th of their available time for a six-month period, the six persons could be assigned full-time for one month. Roughly the same total resource are expended, though the task is completed and 'fresh' information, ready to be implemented and pay dividends (e.g. reduced costs), is available in 1/6 the time. In addition, there is likely to be less chance

of management support waning during a shorter project, than one, which extends (or drags out) over a longer period.

- **Appropriate composition and training of the benchmarking team**- Benchmarking is generally conducted as a team activity (Spendolini, 1992; Camp, 1989), which like any other team needs to be composed of the right people in order to succeed (see for example, Hackman and Walton, 1995). It requires people who understand the process being benchmarked, the benchmarking process, and how to work effectively as part of a team. Spendolini (1992) suggests the team be selected on two factors- 'can do' and 'want to', i.e. ability and willingness. He also adds that it will likely require a benchmarking specialist/facilitator, a leader, and technical support/research as well as team members, trained in benchmarking, to do the bulk of the work.
- **Process owner involvement**- Involvement of the process owner, either as a customer of the benchmarking project or as a key member of the team is vital (see for example Camp, 1995; Spendolini, 1992; CCI, 1993; Watson 1992, 1993; etc.). The process owner is likely to be one of the most knowledgeable persons in the organisation regarding the process. One of the central tenets of benchmarking is 'know yourself before attempting to learn from others' (Camp, 1989; Zairi, 1994). Perhaps the best way to do so, is to get the process owner involved in the benchmarking process. Process owner involvement not only brings important knowledge to the benchmarking team, it helps to ensure the results of the study are accepted and implemented (Zairi and Leonard, 1994; Camp, 1995). This stands in sharp contrast to the involvement of benchmarking specialists or members of the quality management function, which may be part of the team (or facilitate the team) but not the owner of the benchmarking study. Business process redesign (see Hammer & Champy, 1993; Harrington, 1990, 1991) and total quality management texts (see for example Oakland, 1993) also place a similar importance on process owner involvement in the improvement process.
- **Organisation has a good understanding of its key business processes and actively manages these processes before attempting benchmarking**- If the organisation doesn't understand its processes and how they are linked to the results achieved, they are very unlikely to be able to benchmark them effectively (CCI, 1993; Camp, 1995). This basic business process management ground work needs to be completed before business process benchmarking is attempted. Quality mature organisation should have a strong process focus (see above). Therefore, they should be ready to attempt process benchmarking. Immature organisation is less likely to have a process management framework in place, making it difficult to begin business process benchmarking.
- **Link to the organisation's critical success factors**- Without a link to the organisation's critical success factors, the project is unlikely to generate ideas with impact (see Jick et al, 1993). Furthermore, without a link to critical success factors, the project is unlikely to start or remain a high priority for the organisation, as well as team members. As a result, effort may be reduced with the same result as discussed above.
- **Tightly focused and of manageable size**- The bigger the project the more difficult it is to manage, the more likely it is to lose focus, and for team members and the organisation to lose interest (CCI, 1993; Camp, 1989). The team cannot 'boil the ocean', at least not in the time they are likely to be allocated. As Camp (1989) argues, broadly focused studies can become skimming operations, which return only superficial understanding of real practices and their benefits.
- **A structured benchmarking process is applied with discipline and rigour**- A structured process applied with rigour and discipline is a staple of any quality management or benchmarking text. It reflects a fundamental assumption about the value of using a scientific method and data driven decision-making in an organisational

improvement context (see Hackman and Wageman, 1995; Deming, 1983, 1986). Structure, rigour, and discipline are what separate benchmarking from industrial tourism (Garvin, 1993, CCI, 1993, Zairi and Leonard, 1994). It increases the team's probability of finding the right/best available practices, as well as implementing them correctly. As CCI (1993) point out, one of the most common causes of failure is conducting similar but marginally related activities under the banner of benchmarking.

- **Team fails to gain co-operation from potential partners**- Organisations may co-operate with benchmarking teams for a number of reasons including, professional affiliation, opportunity to learn, curiosity, reciprocity, courtesy (Spendolini, 1992). Nevertheless, lack of co-operation from potential partners can be a serious impediment to the benchmarking process, with organisations often reluctant to share information for a variety of reasons including concerns about confidentiality, no perceived benefit/reciprocity, no previous relationship, lack of resources and the like (Coopers and Lybrand, 1994, 1994a). Quality award winners tended to be bombarded by benchmarking requests. In addition, many of the requests are ill founded, and the teams unprepared. For example, a sample of Baldrige Award winners indicated that as many as 80% of visiting benchmarking teams arrived with either no specific process in mind or a lack of clarity about the process to the point that they couldn't discuss it productively. Of the remaining 20%, 80-90% wanted to examine a process that the host did not consider world class (CCI, 1993). Unfortunately, many benchmarking teams have done the practice of benchmarking a great disservice by turning up for visits unprepared, often the result of using a less than structured benchmarking process in a rigorous and disciplined manner. By doing so, they give benchmarking a bad name, making it increasingly difficult for 'good' benchmarkers to gain access to role model organisations.

Later in this dissertation, the researcher will reflect on the outcomes of this research in the light of the critical success factors discussed above.

3.8 Benchmarking Network Literature

The final section of the literature review examines the literature in the area of benchmarking networks and common interest groups. Much of the available literature was cited in the introductory chapter of this dissertation. As illustrated in this earlier section, very little identifiable material existed in the area of benchmarking networks and common interest groups. As a result, no research was uncovered which systematically examined the effectiveness of a network or common interest group approach to finding best practice, or which identified the key determinants of effectiveness of this type of approach.

Common interest benchmarking groups and benchmarking networks, similar to the one described here, were noted in practitioner-focused publications (see for example APQC, 1993; Boxwell, 1994; Watson, 1993, 1994a), but no systematic or academically rigorous study of these initiatives had been published.

Watson (1993:260) for example, defined a common interest group as:

> *A network of individuals or organisations who share a mutual interest in a specific subject and have agreed to share their experience.*

Unfortunately, Watson does not address the issue of effectiveness of a common interest benchmarking group. Similarly, Watson (p.261) provides a definition of network:

> *A decentralised organisation of independent participants who develop a degree of interdependence and share a coherent set of values and interests.*

Again, effectiveness is not addressed.

3.8.1 Quality Networking: A Model, Rationale, and Common Elements

Subsequent to the launch of this project, some material, which addressed issues related to group benchmarking and quality networks, was uncovered. This included the work of Kunst et al (1996), in which this research is cited (see pages 97-99), and Cleveland (1995, 1995a). Both were published well after the launch of this project, though are worth addressing as part of the literature review, as they were uncovered as part of the on-going review conducted by this researcher.

Kunst et al (1996), for example, address the issue of quality networking in Europe. They define quality networking as:

> *Quality networking comprises transaction activities between members of regional and (inter)national networks that enables the exchange of knowledge and experience in the field of quality, in order to realise a strengthening of quality awareness and the improvement of performance. Networks are formed by individuals, companies, government agencies and other bodies.*

Kunst et al (1995:25) propose a model to explain the basic elements of the quality networking activities they observed in the their research. Their model is illustrated below in Figure 3.9.

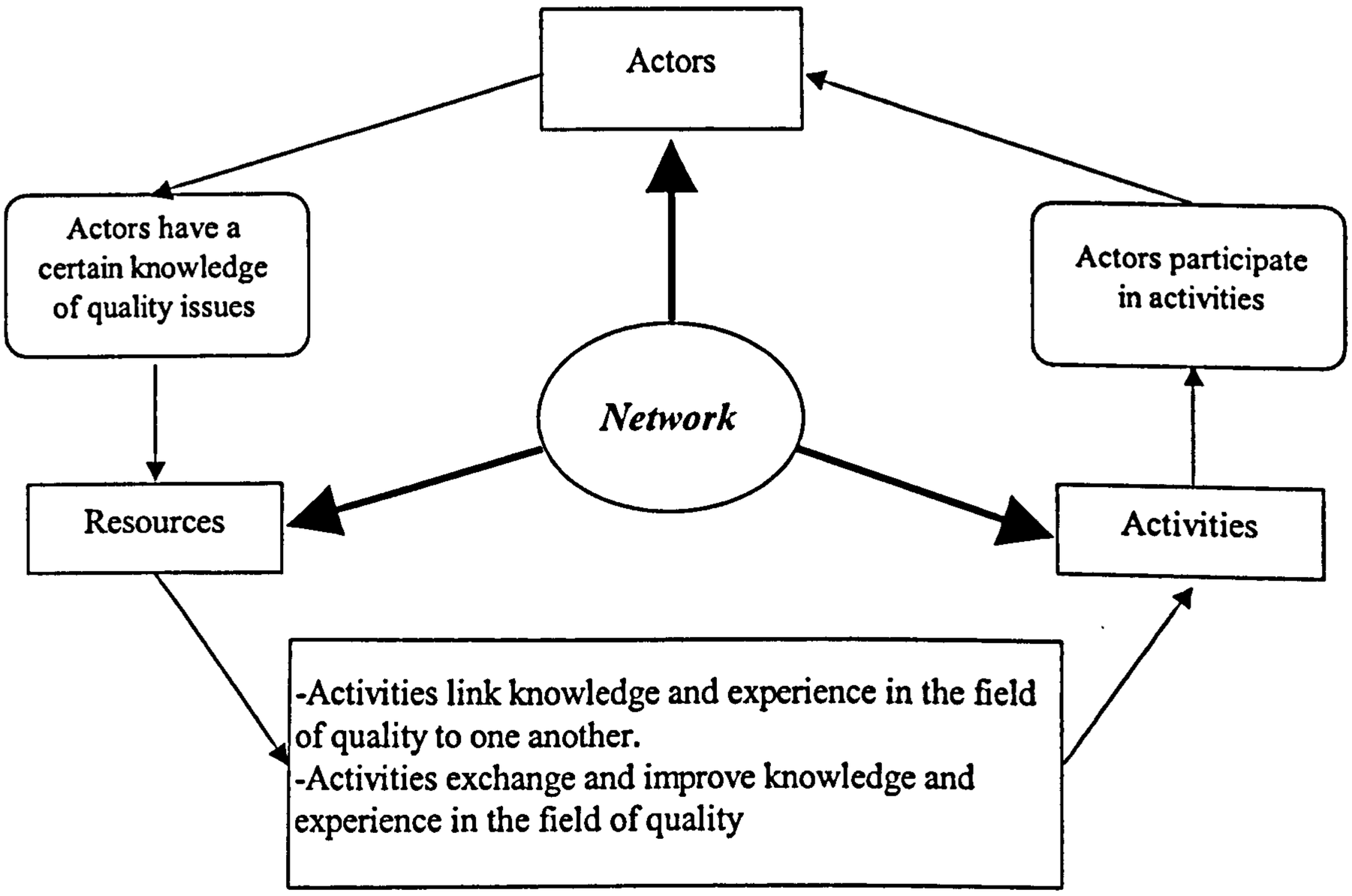

Figure 3.9: A Quality Networking Model (from Kunst et al, 1995:25)

They explain the model (p.25) as follows:

> *The actors in the network are individuals, companies, public and private institutes, and governments. Resources are primarily knowledge and experience in the field of quality. Transformation of knowledge and experience is the main activity in the network. Actors perform and participate in activities. These activities link resources, i.e. knowledge and experience with the purpose to exchange knowledge and experience concerning quality issues in order to increase the performance of the actors. The ultimate aim is to improve the competitiveness of the actors.*

The Benchmarking Network described in this study fits reasonably well with the general model of quality networking proposed by Kunst et al. As in the model, the 'actors' were individuals representing public and private sector organisations. The organiser, broker/facilitator of the network, the Newcastle Business School, could best be described as a public institute. The actors had some knowledge of quality issues, which they brought to the Network, though in many cases the primary contribution was a desire to improve specific business processes. The main 'activities' were common interest groups designed to link together organisations that had a desire to improve a similar 'generic' business process. In this case study though, one of the common interest groups proved less of a vehicle for exchanging knowledge between group members, than a means of pooling resources (i.e. their time) to locate better or best practice outside the group and the Network. Group

members believed their existing practices were so underdeveloped as to make meaningful knowledge exchange a waste of time. The second common interest group in this case was used primarily to facilitate the exchange of information between group members. Inseparable from the Network was the Best Practice Club, which provided Network members with additional opportunities to exchange knowledge and experience in the field of quality management.

Kunst et al's research identified a number of common elements across the quality networking initiatives they studied. These common elements include (pp. 4-5):

- **The focus is on interaction i.e. giving and receiving information.** This includes the exchange of information on problems, approaches, methodologies, solutions, etc., and is complemented by social exchange, which the authors believe can lead to longer-term relationships. The focus of the group benchmarking process was also on interaction with an emphasis on doing so in a structured and disciplined manner. There was little evidence that social exchange led to the development of longer-term relationships, including in the area of benchmarking.
- **Exchange of information tends to take place in working groups and experience exchange meetings.** Training courses, seminars and the like are also used to exchange information. In some instances, research and dissemination of results was also used. In this case study, working groups were the primary exchange mechanism with the Best Practice Club serving as the less formal experience exchange forum. Research on benchmarking and dissemination of the results of the research, as well as the findings and experiences of the common interest groups was also part of the quality networking initiative discussed in this dissertation.
- **Networking actors tended to be quality practitioners and professionals from industry and service organisations.** In small and medium sized organisations, the CEOs have a greater tendency to be directly involved in quality networking activities than in larger organisations. In this case study, most of the actors were quality practitioners and professionals. In a number of cases, CEOs and other senior managers were involved in the initial discussions about participation, but quickly delegated responsibility to a representative of the quality function. Perhaps more importantly, particularly in the light of the earlier discussion of benchmarking success factors, few process owners were directly involved in the exchange activities.
- **The physical resources required to initiate networking initiatives are limited.** The most important resource is active participation and involvement of individuals. Very little funding went into organising this quality network initiative. However, the amount of human resource (time) required to benchmark effectively was significant. As will be discussed extensively later in this dissertation, significantly more time and effort was required than was provided by most participants. This may illustrate the practical limitations of quality networking. The effectiveness of quality networking, including the extent to which, and the speed at which, it can lead to organisational improvement may simply be limited to the amount of time individuals can/will devote to it.

The rationale for participation in quality networking initiatives was also discussed by Kunst et al (pp. 3-4). They identified a number of reasons for quality networking by organisations and individuals, which included:

- It can provide organisations (particularly SMEs) with the scale or scope to find new opportunities to improve their competitive position.
- It can reduce the traditional isolation felt by quality professionals by giving them an opportunity to share experiences and discuss common problems.
- It can be a more cost effective means of gaining access to training, consulting expertise and the like.

3.8.2 Types of Quality Networks

Kunst et al's research (p.5-6) also classified the different types of quality networking initiatives into four categories based on factors such as: geographical coverage, initiative of, scope, target group, size, main activity, duration of charter, funding, expenditure, and formal evaluation. The four categories identified were as follows:

- **Schemes**- These were described as well defined in terms of the target group, scope, duration, desired results and the like. In the main, the schemes were aimed at helping SMEs gain ISO certification. The general structure was small working groups of 6-20 companies meeting once a month following a well-defined model. The meetings tended to be facilitated and/or taught by an expert consultant and were designed to teach participants the basics of quality management and the ISO principles. The meetings were used as the starting point for in-company activities, the experience of which was discussed as part of experience sharing meetings. Formal evaluation of results is an important aspect of the schemes studied.
- **Organisations**- The focus tends to be on 'TQM', as opposed to ISO 9000. Membership tends to range from 100 to 300 individual and corporate members. There is a formal organisational structure, and the primary activities include working groups on specific quality subjects, experience-exchange meetings, seminars, courses, a library service, etc. The original rationale for their creation tended to be a lack of knowledge about quality. The founding members tended to be quality professionals and the organisations were often industry specific. As they have developed, the membership of many organisations has widened beyond the quality profession and has crossed industry boundaries. In addition, the formality and structure of the exchange process increased. Because they are member supported there is pressure to ensure customer satisfaction, which tends to be surveyed on a regular basis. There is, however, little evidence of formal evaluation of the impact of the organisations on their members.
- **Clubs**- The author's describe clubs as similar to organisations though often smaller and with less formality. They have tended to focus on exchanging general quality-related information and experience. Little in the way of formal evaluation of clubs was evidenced. The Best Practice Club, described in this study, was included in Kunst et al's research.
- **Committees**- These are described as 'supra-networks' made up of representatives from various individual networking organisations. Little formal evaluation of committees was found.

The Benchmark Network discussed in this study falls between a club and an organisation in Kunst et al's typology. In terms of membership size, it was closer to a club than an organisation. The same could be said about its organisational structure and budget expenditure. In effect, it was an attempt to move from the informality and general 'quality' focus of a club (i.e. the Best Practice Club) to the formality, structure, and focus of a quality networking organisation. The attempted development pattern of the Best Practice Club was similar to the organisations studied by Kunst et al. The Network was formed as a response to Best Practice Club members who had expressed the desire to do more than just talk about quality, and actually focus on improving organisational performance. As a result, the Network focused on specific business processes using a systematic benchmarking methodology within common interest groups (i.e. working groups). Structure and formality was built into the process. The group-benchmarking project was never successful in achieving the critical mass that could enable it to move from a club to a quality networking organisation. Unfortunately, the issue of how a Club can transform itself into an Organisation is not addressed by Kunst et al.

3.8.3 Measuring Success and Effectiveness

Finally, Kunst et al discussed the measurement/evaluation of success and the 'conditions for success' of quality networking initiatives. With the exception of quality networking schemes, there is little evidence of formal evaluation of effectiveness. This is highlighted in Table 3.10 below which summarises the various networking initiatives studied by Kunst et al. The table illustrates the lack of evaluation of results, particularly for initiatives similar to group benchmarking. Even in the case of quality networking schemes, the focus is not directly on whether the scheme was an effective means of finding best practice or what were the key determinants of effectiveness. The schemes are primarily focused on helping participants implement one specific practice, ISO 9000. The main mechanisms are training courses, in house consultancy, and regular experience sharing, not common interest (working) groups benchmarking a business process of mutual interest. Schemes and clubs that are conceptually closer to the group benchmarking process (as explained above) did not, in general, attempt to evaluate effectiveness or measure success. The notable exception being the Trafford Park Performance and Quality Forum (see Higginson and Dale, 1994).

Higginson and Dale (1994) report that the Forum enabled companies to increase their expertise in activities associated with quality management and was particularly useful in

assisting companies with attaining BS 5750. Again, they did not specifically evaluate whether the Forum was an effective means of finding best practice or what factors determined its effectiveness. Higginson and Dale also examined participants' expectations. The most often mentioned expectation was to share quality-related experiences (60%), improved communication with other members (45%) and promote competitiveness of the Trafford Park area of Manchester was also a frequently mentioned (35%) expectation. These expectations are similar to those of participants in this research programme. Higginson and Dale also considered the perceived benefits of membership. The most frequently noted benefit was improved communication between companies, which appeared to be limited to the development of contacts and better awareness of activities in the Trafford Park area. Interestingly, only one of the twenty companies surveyed reported that they had benefited from sharing experiences and problems with other members. None reported that the Forum had been useful in finding best practices. The Higginson and Dale study drew the following conclusions:

- The Forum was a useful method of improving the image of Trafford Park
- Companies valued contributing to the initiative to raise the image of Trafford Park
- Companies valued being linked to a 'quality-driven' area.
- Smaller companies or those just starting the quality journey benefited the most from the initiative
- The Forum was useful introducing the smaller and less quality mature organisations to basic quality management techniques

Later in the dissertation, the findings of Dale and Higginson will be compared to the outcomes of this research. The research settings and some of the outcomes are similar, the research questions posed were not.

Kunst et al (1995:20) admit that:

> *the effectiveness of quality networking is difficult to assess. Effectiveness can only be measured at the company level, but it is impossible to evaluate the effects of quality networking isolated from other (in company) activities of individual companies to improve quality.*

They admit that attempting to evaluate success by relying on participation rates is difficult, as the numbers depend, in part, on the target audience, resources available, scope etc. Kunst et al (p.20) conclude that:

> *Because of the large differences between the types of networking initiatives and lack of formal evaluations for each type, we have not been able to indicate objective factors that discriminate between less and more successful initiatives.*

Name	Type	Country	Work Groups (%)*	Formal of Evaluation?	Notes
BTQM	Organisation	Belgium	15%	Customer Satisfaction Surveys, Surveys after activities	Limited use of work groups No evaluation of the effectiveness in transferring best practices. No specific evaluation of work groups.
Qualichem	Organisation	Belgium	Nil	None	Limited use of work groups
Consultant Driven Experience Groups	Scheme	Denmark	10%	Evaluation after each networking meeting. Measurement of No. of organisations which implemented ISO 9000 systems to date. Evaluate specific training courses	Limited use of work groups Aimed mainly at implementation of ISO 9000 by SMEs. Limited evidence of formal evaluation of effectiveness in transferring best practices (except ISO) or the key determinants of effectiveness.
Quality Committee CTI	Committee	France	Nil	None	ISO 9000 focus
Operation PME/PMI ISO 9003	Scheme	France	Nil	Evaluation of results and progress after each training course. Formal evaluation intended after completion of the programme.- Not available at time of this study.	ISO 9003 focus by SMEs
Actions Collective IMQ	Scheme	France	Nil	No formal self-evaluation conducted by organisers. Do measure the number of participants who are certified.	ISO 9000 focus by SMEs
Introduction ISO 9000	Scheme	Germany	Nil	Not described. Internal reports only.	ISO 9000 focus mainly SMEs
Quality Management, Organisational and Leadership Structure	Organisation	Germany	20%	Not described. Internal reports only.	Limited use of work groups. No evidence of formal evaluation of effectiveness in transferring best practices (or the key determinants of effectiveness.
Bremen Quality Management Project	Scheme	Germany	20-40%	Limited evaluation mainly during meetings. No published report.	ISO 9000 focus by SMEs
ISO Certification Scheme for SMEs	Scheme	Greece	10%	Evaluation of progress towards achieving ISO 9000	ISO 9000 focus by SME Limited use of work groups. No evidence of formal evaluation of effectiveness in transferring best practices (or the key determinants of effectiveness.
Software Quality Management Forum	Club	Ireland	Data not availabl e	None to date	Aimed at software industry members and consultants. Main focus is certification.
ASTER Quality Management	Organisation	Italy	13%	None	Aimed at SMEs
University Consortium in Quality Engineering	Organisation	Italy	5%	None	Main emphasis is training
Quality Circle of Northeast Brabant	Club	Netherlands	20%	None	Main emphasis- training and seminars

(Table Continued on Next Page)

Section Quality in Services	Club	Netherlands	25%- estimate based on participation rates	Limited to review of annual plan. No published report.	No evidence of formal evaluation of effectiveness in transferring best practices (or the key determinants of effectiveness.
Andalusian Institute of Technology	Organisation	Spain	5%	None	Technology-focus.
Quality Management Club- CGC	Organisation	Spain	50%	None	Club organisers believe they have been successful in raising quality awareness in Spain. No evidence of formal evaluation of effectiveness in transferring best practices (or the key determinants of effectiveness.
Trafford Park Performance and Quality Forum	Organisation	UK	20%	Formal evaluation conducted by Higginson and Dale (1994)	Evaluation was not focused on the effectiveness in transferring best practices (or the key determinants of effectiveness.
Best Practice Club	Club	UK	30%	None	Described in detail in the previous Chapter.
Scottish Quality Network	Committee	UK	20%	None	
Quality Forum	Organisation	International	10%	None	Measure performance of members and claim that quality level has increased over time some of which they believe is due to participation in the Forum Based in UK, IT industry-focused

Table 3.9: Summary of European Quality Networking Initiatives (based on Kunst et al (1996) *% of Resources Allocated to work groups

3.8.4 Success Conditions

Though they do not define success, Kunst et al (p.20-23) claim to have 'some clear ideas about the success conditions of quality networking'. They state that:

> *Quality networking conditions for success are likely to be related to the effectiveness of networking activities and overall participation.*

They make a clear distinction between SMEs and larger organisations because they found SMEs to be more reluctant to participate in quality networking unless as part of specific schemes. The general conditions for success are as follows (p.21-22):

- **Ready to apply information**- Participants tend to be eager to learn and hunger for specific information, and/or eager to share their success and best practice. The shift is away from general information about quality to specific, ready to implement information.
- **Low participation threshold**- This includes the time and money, which must be invested in participation. The lower the threshold the higher the participation rates
- **Mixed industry**- The authors believed that mixed networks (i.e. mixing industries, sectors, public/private, etc.) is more effective than single industry initiatives.
- **Role of networking agent/facilitator**- The facilitator's enthusiasm is essential in monitoring the needs of participants and developments in quality management in order to adjust the networking activities accordingly.

In the case of SMEs, Kunst et al (p.22-23) success conditions include:

- **Small groups**- stimulate co-operation and mutual trust
- **Clear targets and tight time planning**- benefits of participation can be evaluated more easily
- **Economies of scale**- networking can lower the cost of starting quality improvements. The costs of training and consultancy can be shared. Learning can be reinforced through experience sharing.
- **Consultant-driven**- to advise, co-ordinate, motivate, direct, and correct
- **Commitment**- to open exchange of experience, co-operation and action (in-company) is a pre-requisite.

It should be reiterated that Kunst et al do not actually define success in the context of quality networking. However, their discussion of success factors for quality networking (aimed at larger organisations) seems to imply that success is measured in terms of the number of participants. That is more people will participate if it is easier to participate (lower threshold) and the information exchanged is ready to apply. There is no discussion as to whether lowering the threshold will actually reduce the value of the information gained. That is, if no preparation is required, are participants likely to gain useful information they can use to improve their own operations? Similarly, is ready to apply information likely to provide any real competitive advantage (see Powell, 1995 or any of the other resource theorist

mentioned earlier)?. If it is easily imitatable, is it of significant value? They do admit that success is not simply participation rates, and that it is virtually impossible to link quality networking to in-company improvement. However, they state (p.20):

> *The only forms of evaluation identified are surveys measuring the satisfaction of participants concerning the activities organised within the network. We could say that these surveys indirectly measure the effectiveness of activities. If participants are highly satisfied with certain activities, one might expect that these activities positively contribute to in-company improvement.*

This may not necessarily be correct, particularly if the research of DiMaggio and Powell (1985) and other institutional theorists (see above) is considered. The institutional theorists have illustrates that efficiency and effectiveness considerations are not the only things driving organisational behaviour. Isomorphic pressure in a variety of forms may also play a key role in influencing behaviour. Similar conclusions have been reached regarding the rationality of individual decision making (see for example Simon, 1955, 1979). The desire to be associated with a group or a Network which is perceived to be doing the right things (see also Higginson and Dale, 1994 above) could also override any real benefits the organisation receives from participating. Furthermore, participation may be independent of any real transfer of best practice by member organisations.

In summary, the research of Kunst et al provides a very useful review of a range of quality networking initiatives, though none apparently use a benchmarking process similar to the one described in this dissertation. They are unable to define success in any meaningful way perhaps because they don't define it in terms of being successful at something, for example, a successful (or effective) method of finding best practices. In this study, the question posed is whether a common interest group benchmarking process (an example of quality networking) can be an effective means of finding best practice. This question has an answer. Though they do not define success, Kunst et al, do identify a number of factors, which might influence the effectiveness of a quality networking initiative. They also draw a clear distinction between focused programmes directed at SMEs and the more general programmes aimed at larger organisations. Later in this dissertation, the results of this study will be compared with those of Kunst et al, as well as others working in the field of quality networking.

3.8.5 Other Examples of Quality Networking

Finally, it is useful to briefly review the work of Cleveland (1995, 1995a) who produced two reports describing inter-firm collaboration in the area of quality management. Like the

material produced by Kunst et al, Cleveland's work was published well after the this project got underway, and was therefore of no use when designing the first iteration of the group benchmarking process. It is, however, useful in understanding its effectiveness and the potential determinants of effectiveness. Cleveland (1995) describes the activities of the Western Michigan Manufacturers' Council's efforts to use what he called (p.12) 'learning networks' to support members efforts to become world class companies. This initiative would likely fall into the Kunst et al's 'organisation' category. Cleveland's second report (1995a) describes the activities of the Northeast Indiana TQM Network which provides a mix of services to members, including training, organised plant tours, conferences, facilitation and the like. The TQM Network is probably closer to a Club than an organisation because of its general focus on TQM, though it has more formal structure than the 'typical' club described by Kunst et al (1996). It should be noted that neither report specifically described a benchmarking network or common interest benchmarking groups, nor addressed the issue of their effectiveness in finding best practice. In addition, it should be mentioned that neither of Cleveland's reports discuss the research methodology, which enabled him to reach conclusions about the benefits and success factors of the quality networking initiatives he describes. That is not to say that he had no research methodology, only that none is made explicit, making it difficult to evaluate the efficacy of his conclusions.

In the case of the Northeast Indiana TQM Network (Cleveland, 1995a:38-39), no measures of network effectiveness or outcomes were identified. The main data tracked by Network organisers related to the number of participants, number trainees and training hours, and end of training course evaluations by participants. According to Cleveland (p.38), members frequently cited the following benefits:

- Access to high quality training and information events (perhaps also to do with economies of scale)
- Ability to see and touch success stories which would be otherwise difficult to access (see Kunst et al's 'ready to apply' information)
- Ability to see and touch enabled firms to benchmark their operations with other members
- Personal contacts with other quality professionals struggling with similar issues provided a valuable source of personal and professional support (see Kunst et al's- isolated quality manager)

Cleveland (1995a:39-42) also highlighted several lessons learned which are potentially relevant to this research. These include:

- Networks must be led by a committed core of executive-level champions who tend to be attracted and held together by collective energy and relationships based on personal trust
- Erosion of the core of executive-level champions and the delegating down of participation is a sign of network weakness.
- The facilitator was critical in the formation of the network because he/she makes the connection between companies, reduces the 'costs' of collaboration, and introduces new knowledge into the learning process
- Powerful learning takes place around real practice. Members want 'ready to apply' information (just as Kunst et al, 1995).
- The benefit is linked to participation, therefore need to move participation beyond just the network contact person.
- Collaboration at one level does not necessarily lead to collaboration at higher levels. Participation did not appear to spur higher levels of co-operation particularly across sectors.
- Interdependence between network members is moderate particularly in comparison to a co-production network.

Cleveland was not specifically describing a benchmarking network or common interest groups. However, a number of his findings may be observed in this study. The similarities between the findings of Cleveland and this research are further addressed later in this dissertation.

Cleveland (1995) visits similar issues. His report summarises the development and current activities of the West Michigan Manufacturers Council. A key feature of the Council is 'User Groups'. These are groups of 5 to 15 companies who agree to engage in an organised process of facilitated learning over an extended period (p.16). According to Cleveland (p.16), the main features of the User Groups include:

- Led by industry champions one of whom serves as a group leader.
- Facilitated by professional experts with process and content skills.
- Topic focused- both workshops and practical application examples of members is used.
- Senior leadership are the main audience.
- Extended time commitment- Members meet at least once a month for three to six hours. Several groups have been in existence for several years.
- Practice orientated. Plant tours and the like are a regular feature of the User groups.
- Fee financed to cover the cost of the professional facilitator.

Cleveland's description of the User Groups sounds like a cross between the Benchmarking Network and Best Practice Club described in this research. The use of a working group mirrors the common interest groups used here, though it is not evident from the report that the groups attempted to use a systematic benchmarking process. Instead, it appears that the User Groups were a focused version of the Best Practice Club with regular plant tours

and facilitated discussions around specific topics of interest to group members. User Groups were later supported by workshops focusing on the theme of world class manufacturing, which served to develop a common language amongst User Group members and further reinforce their improvement efforts.

Cleveland (1995) provides further useful insights on several issues, including the nature of relationships between organisations, the role of the network facilitator and the benefits and outcomes of the West Michigan Manufacturers' Council (though not specifically about the User Groups). For example, he makes a number of observations relating to the nature of relationships between Council members (p.19-20). These include:

- Most relationships are interpersonal and are not directly driven by economics, as in a co-production network.
- A focus on real practices is a major attraction for members.
- A high level of trust between individual members is important for good learning.
- Exchange between members is open.
- Participation at one level has, in some cases, led to contacts at other levels of the organisation.

With regards to the facilitators, Cleveland credits them with playing a significant role in the success of the Manufacturers Council, though not the central driving force (p.20). This, according to Cleveland, came from the participants, particularly the CEOs driving the Council. In addition to this observation about the role of the facilitator, he argues that facilitators must be senior personnel, must have experience of both the content and facilitation processes of a User Group, and that a significant number (in this case 12-15) are needed to get to scale and create critical mass.

As in his other case report, Cleveland found that the Council had no systematic measures of the benefits of participation. He notes that participants have mentioned the following benefits (p.21):

- Increased awareness of world class manufacturing.
- Productivity improvements which participants attribute to the implementation of world class manufacturing techniques learned through their efforts with the Council.
- The development of a set of personal contacts (which Cleveland calls 'benchmarking networks'), which can give them access to success and failures of other firms.

Finally, Cleveland identified a number of lessons learned from observing the activities of the Manufacturers' Council. Many are similar to those mentioned in his other reports. These lessons include (p.22-23):

- Long-term success is highly dependent upon 'committed, visionary CEOs bound by strong personal relationships'.
- The development path of a learning network is not linear. It is 'messy and organic', and difficult to predict.
- Learning is not education and training. The most benefit comes from mixing training and real experience to solve of real problems.
- A shared mental model of what the Council was trying to achieve (i.e. world class manufacturing) was worth the time and effort, even if it delayed the 'doing' part of the process.
- Facilitator expertise and credibility is important for growth, and must be continuously improved.
- Learning networks are not generally the primary driver of firm success. They are only one of many vehicles for learning, particularly by successful firms.
- Price of services should reflect the value provided to the customer.
- It takes a long time to get results, and the efforts need to be linked to other business support initiatives.
- Networks have to practice what they preach and continuously improve their own practices.

Later in this dissertation, Cleveland's insights will be further discussed in the light of the findings of this research.

3.9 Summary of the Literature Review

This Chapter has provided an extensive review of the literature in the area of benchmarking, benchmarking networks, and quality networking. In the area of benchmarking, much of the literature is practitioner-focused. Key findings and insights are based on the experience of the author(s), most of whom are consultants and practitioners. Few of the primary sources reviewed make explicit the research method used to reach their conclusions. The literature review provided a thorough introduction to the practice of benchmarking, including definitions, types, and process models. It also illustrated the considerable confusion amongst practitioners over both the definition and application of the benchmarking process. The Chapter reviewed the extent of benchmarking activity to determine whether the reality of benchmarking matched the hype it received in the popular press and some practitioner-focused literature. This researcher concluded that while benchmarking was familiar to many practitioners, it was neither widely understood nor applied in a disciplined manner by most organisations. The researcher argued that most organisations were unable to business process benchmark effectively, mainly due to a lack of quality maturity. That is, they did not

understand their critical success factors or the key processes which supported them, nor did they apply systematic business process management techniques. As a result, they were ill-prepared to benchmark, particularly to business process benchmark. In addition to lack of quality maturity, other factors critical to the success of a benchmarking project were discussed. These included management commitment, the application of adequate and appropriate resources (e.g. the process owner), training in the benchmarking process, project size, process rigour and discipline, and partner co-operation.

The Chapter also reviewed the benchmarking network and common interest group literature. This revealed that most of the benchmarking literature has focused on single organisations establishing dyadic benchmarking relationships with other organisations. In a few instances, however, the benchmarking literature has addressed the issue of benchmarking networks and common interest groups, hinting that these types of benchmarking have potential to be effective methodologies. Unfortunately, this researcher was unable to uncover material in benchmarking literature that systematically addressed the question of the effectiveness of benchmarking networks and common interest groups in finding best practice.

Finally, the Chapter turned to a review of the quality networking literature, focusing on the work of Kunst et al and Cleveland, both of whom published well after this research was launched. Kunst et al provided a summary of quality networking initiatives across the main European Countries, while Cleveland focused on two learning networks in the US. Both authors identified some of the potential benefits and outcomes from quality networking initiatives, as well as the factors that can influence their success. However, neither author specifically addressed the issue of benchmarking and common interest benchmarking groups, though they provided useful insights against which the findings of this research will be compared. The lack of identifiable material in the area of benchmarking networks and common interest groups meant that the researcher could conduct an exploratory study that examined the effectiveness of a group benchmarking process and the key determinants of effectiveness.

The Chapter, which follows, provides a rich description of the group benchmarking process designed, implemented and refined by this researcher.

CHAPTER FOUR

The Intervention Strategy: Group Benchmarking

This Chapter examines the 'intervention strategy' used by this researcher. As illustrated in Figure 1.2 (see Chapter One), the group benchmarking process was the 'intervention strategy'. It helped to initiate the practice of benchmarking in a small network of organisations from the Northeast of England, and served as the primary vehicle for participants and the researcher to gain a better understanding of the benchmarking and related fields such as quality networking and best practice transfer. Action research was the methodology the researcher used to create the intervention strategy. It linked the research to the practice. A case study of the design and implementation of a group benchmarking process was the research output. Case study data was collected using participant observation, semi-structured interviews, and documentary evidence. The researcher analysed the data using grounded theory and related qualitative data analysis techniques. This enabled the researcher to address the two primary research questions related to the effectiveness of the intervention strategy, and to contribute to knowledge in the area of benchmarking networks and common interest benchmarking groups.

This chapter will concentrate on the group benchmarking process providing a detailed description of each of the key phases and steps in the process. The following chapter will then focus on the overall research strategy, the application of the action research method, the data collection techniques, and the analytical methods used. Inevitably, there will be some overlap, particularly in relation to the action research method and how it was applied in this context. Each step in the process is discussed in detail and much of the supporting documentation used at the time is interspersed with the text and/or included in the appendices. The purpose of this chapter is to enable the reader (and future researchers) to better understand what was attempted in this study. It also illustrates the amount of time and effort that went into trying to make the group benchmarking process a success. The Chapter is effectively an in-depth, macro-level case study of the design and implementation of a benchmarking network and common interest groups. It provides practitioners with a valuable case study of one example of a quality networking initiative. The chapter also provides enough information to enable future researchers (or practitioners) to recreate the process if so desired. The researcher has provided a 'warts and all' description of the group

benchmarking process, both as it was intended and as it worked in practice. This will enable the reader to judge for themselves what worked well and what did not, and to draw lessons from the rich description provided. Analysis of the process, its effectiveness and determinants is not the primary function of this chapter, and is left to subsequent chapters of this dissertation.

The research project had four basic phases. These were as follows:

- Idea Conception
- Planning and Design
- Implementation
- Review and Improvement

As expected, these phases roughly correspond to the plan-act-observe- reflect cycle of the action research process (Perry and Zuber-Skerrit, 1992), as well as to Deming's plan-do-review-improve continuous improvement cycle. It is implicit in the project that review/improvement and redesign occurred not only at the end, but was an integral part of the planning, design and implementation. This is in keeping with the basic principles of action research (and common sense). In the researcher's view, the ability to respond to changing circumstances and to learn from experience is a key advantage of using action research (See Dick 1997 for a discussion). If the methodology had not been able to respond, the intervention project would likely have ended quite quickly, failing to deliver any substantive benefits.

Figure 4.1 shows a rough time line of how these stages were intended to unfold over the course of the three year research project. It was intended that a number of 'macro-level' cycles would be completed during the funding period of this research project. Unfortunately, this expectation was not closely aligned with the reality, and only two full cycles were completed, the first of which forms the primary focus of this dissertation. Within each of these phases, the use of an action research method enabled participants and the researcher to learn from the experience and to use that learning to enhance practice. In the sections that follow, each of the phases is described in some detail.

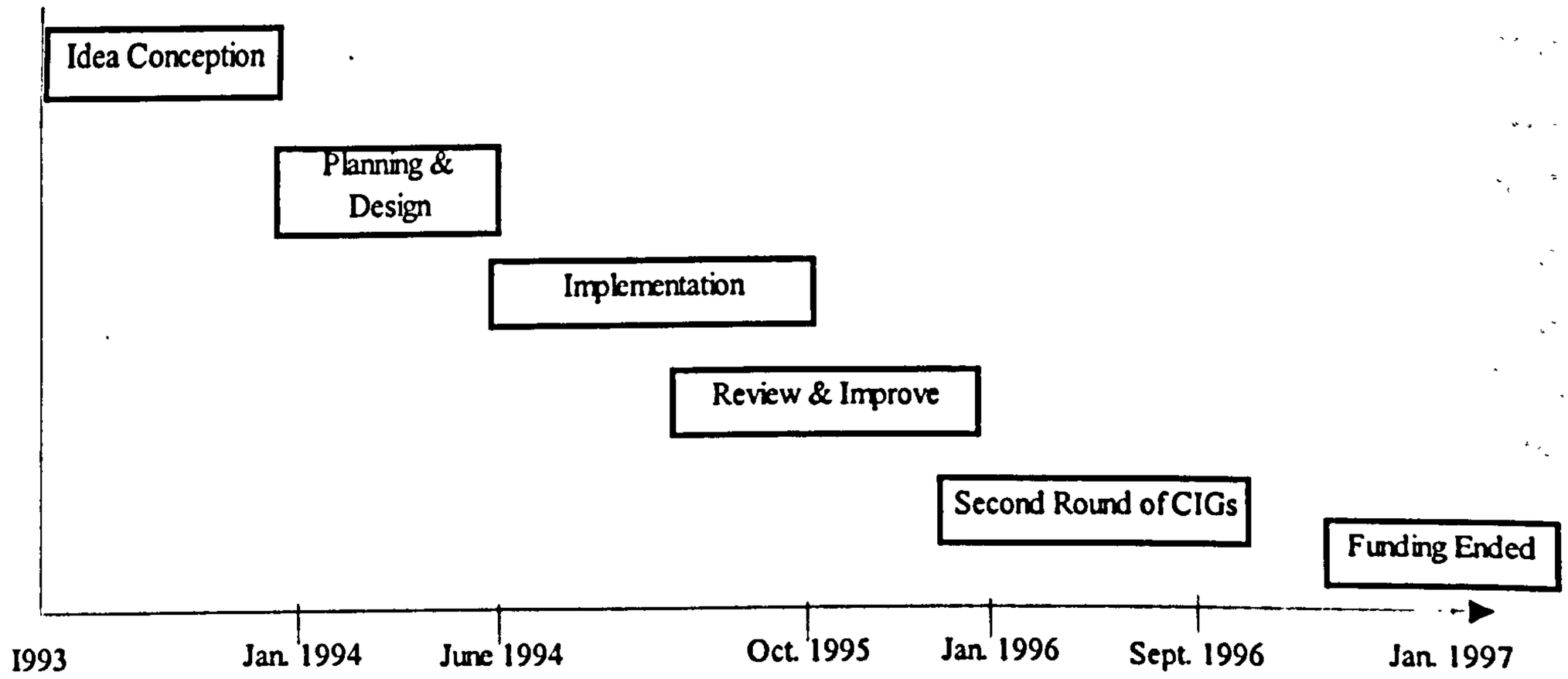

Figure 4.1 High Level Time Line for the Design, Implementation and Refinement of a Group Benchmarking Process

4.1 From Idea Conception to Planning and Design

The group benchmarking project was originally conceived of by Professor Vas Prabhu, from the Newcastle Business School, and a member of this researcher's supervisory team. As an expert in the area of quality management, he had observed effective intra-organisation teamwork and wondered whether the same concept could be applied to inter-organisation benchmarking teams. How this might work in practice, and what the process would actually look like was not clearly formulated. As a result, it was up to the researcher, with the assistance of Professor Prabhu, and the other members of the supervisory team to turn what seemed like a reasonable idea into a practical reality.

From the idea stage, the project moved on to the planning and design phase. This phase included not only what the intervention would look like, but also how to best implement it. During this period, the researcher visited a number of potential participants to test their reaction to the concept, to get feedback on what the group benchmarking process should look like, and to gauge interest in participating. A simple questionnaire was used by the researcher to structure the discussion and to gather relevant data. In total, 28 organisations were either visited personally by the researcher, or contacted by phone or post. At the same time, the researcher conducted an extensive literature review of benchmarking and closely related fields. He also attended a benchmarking training course and made a presentation to a local conference. These activities were all aimed at developing his knowledge of benchmarking to a level sufficient to design the intervention strategy. Whilst these activities were going on, the research team began to debate and refine a definition of

what the group benchmarking process was. This debate was informed by the researcher's growing knowledge of benchmarking, and the insights gained from speaking to potential participants. From numerous discussions, or what some might describe as an endless debate, the researcher developed the following definition of group benchmarking:

> *The application of business process benchmarking by small inter-organisational teams within the context of a formal inter-organisation network.*

Once the definition was in place, and a better understanding of benchmarking and participants' expectations had been gained, it was possible to begin to identify the key steps in the group benchmarking process, which would be implemented in the next phase of the project. It was clear from the definition that an inter-organisation benchmarking network would need to be established. It was also obvious that members would need a clear understanding of the benchmarking process, which would likely involve some training in the technique. They would also need a mechanism for identifying potential benchmarking projects and creating common interest groups (i.e. inter-organisation teams). The groups would also need a process for benchmarking together as a team. In addition, the Network needed some basic organisational structures and rules of behaviour to ensure professional conduct and governance. Finally, the role of the Business School would need defining, as well as how the research aspects of the project would be addressed.

All of these issues were discussed within the research team, and to a lesser extent with participants, and from those discussions, the researcher put together the initial project plan, which is contained in Appendix 2. A summary of the key steps and proposed timings was included in this plan. The completion of the project plan marked the formal end of the planning and design phase of the intervention strategy, and the beginning of the implementation phase. The plan essentially represented a 'straw model' or starter for ten, which was modified and further developed frequently, as participants and the researcher gained a better understanding of benchmarking and difficulties of attempting to do it as a group. In a more traditional research project, this would have marked the end of the design of the experiment stage. The next stage would be to conduct the experiment as designed, measure the results and write the report. The researcher did not believe this was an appropriate context to attempt the traditional research approach, and therefore opted for the use of action research, the advantages of which became increasingly apparent during the implementation phase.

4.2 Implementation

4.2.1 Establishing the Inter-Organisation Network

The implementation phase of the research project led to the creation of a four step intervention strategy as depicted in Figure 4.2. The stages were as follows:

- Establishing the Inter-Organisation Network and Preparing to Benchmark
- Benchmarking in Common Interest Groups
- Reviewing Common Interest Group and Network Effectiveness
- Sharing Lessons Learned and Improving the Process

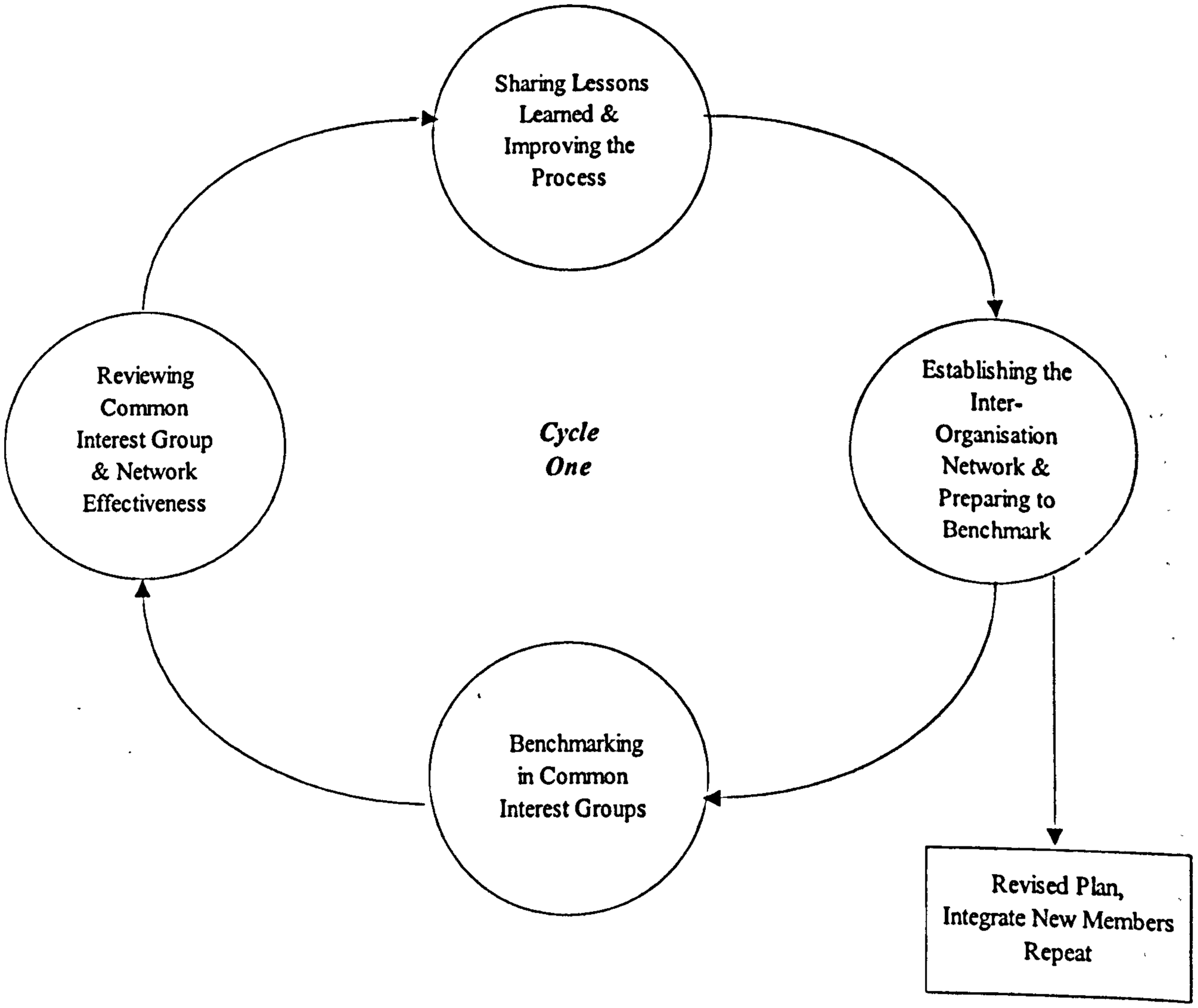

Figure 4.2: The Intervention Strategy: The Group Benchmarking Process

Again, the conceptual basis was Deming's P-D-C-A model, as well as the action learning model. Each of the four steps had a number of key activities and processes, which are described below. During step one, i.e. establishing the inter-organisation benchmarking network, the following key activities occurred (see also Figure 4.3):

- Selecting potential members
- Orientating New Members
- Revising the Original Plan

- Establishing Organisational Structures and a Code of Conduct
- Gathering Data and Deciding What to Benchmark
- Matching Benchmarking Interests

4.2.1a Selecting Potential Members

The selection process for network membership was intended to be based on three criteria: reputation, previous relationship with the Business School and preparation for benchmarking. None of these criteria were defined or applied in any structured way. In reality, there were no selection criteria. Membership was self selecting. All members of Best Practice Club and a number of other local organisations were invited (by post or word of mouth) to join. In effect, this meant most members were from the Northeast, broadly defined, though one organisation was based in Glasgow and another in Worksop, both quite a distance from Newcastle. The only real criterion were no direct competitors, with existing Best Practice Club members having priority over non-members. The Best Practice Club had a no direct competitor rule in place. The Network adopted this principle. The fees charged for membership (£200/annum) also did not represent a bar to entry.

In effect, the Network took any organisation that applied, as the researcher believed, at the time, that the more activity, the better the research. He was also convinced that activity would beget activity i.e. it was a virtuous circle. That is, if many organisations seemed to be involved particularly prominent local companies, potential members would conclude that they should be involved, lest they miss a good thing. This was referred to as the 'full restaurant' syndrome. If the restaurant looks (or is) busy, then people walking past will assume the food is good, and therefore be more inclined to stop. This principle was combined with a 'smoke and mirrors' technique involving the intentions of some of the leading organisations (e.g. Yellow and Nissan) who were members of the Best Practice Club but had made no firm commitment to actually participating in the Benchmarking Project. For example, in publicity material designed to generate interest and attract new members, Nissan and Yellow, along with a number of other organisations, were listed as having expressed an interest in the group benchmarking project. This was factual. They had expressed an interest in the project, whether it was more than a passing interest was never stated. This practice was deemed necessary, as a number of organisations sat on the fence waiting to see who else was involved before deciding whether to join in themselves. Waiting to see who else is participating makes perfectly good sense, as participants

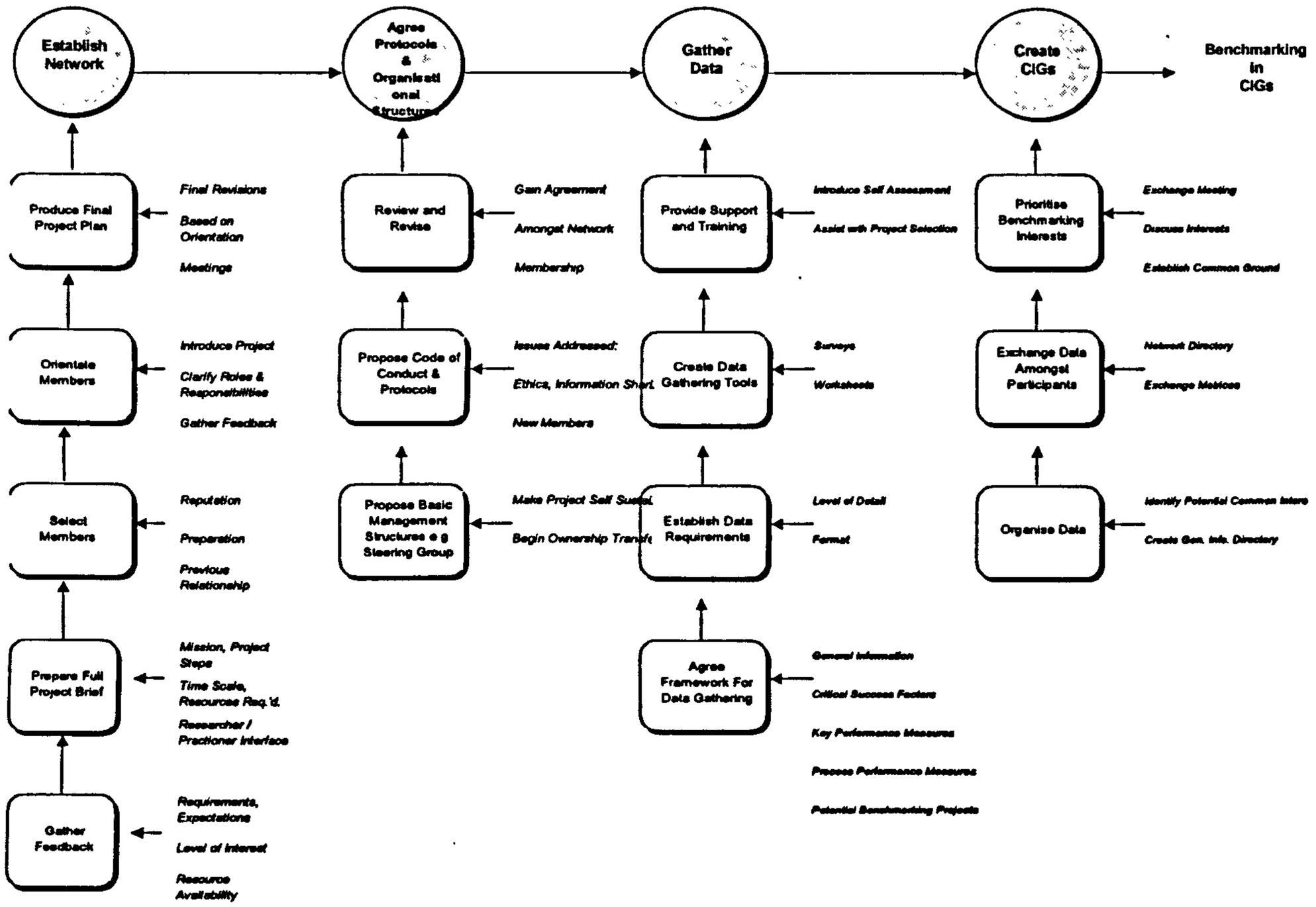

Figure 4.3: Activities of Step One of the Group Benchmarking Process

perceived that they would benefit the most from being in a network that contained the local leading lights. Many could see little sense working with what they perceived might be the second division. However, not everyone sitting on the fence makes for much of a benchmarking network, therefore, the smoke and mirrors technique was applied to encourage quicker decision making. In hindsight, more emphasis should have been placed on preparation for benchmarking, as well as the strength of commitment and willingness to apply adequate resources. As will be discussed later in the dissertation, these attributes became essential as the process unfolded.

4.2.1b Orientation

The next stage in the process involved orientating potential Network members. This was done with an orientation workshop (see Appendix 3) designed and delivered (on five occasions) by the researcher, and attended by more than fifty people. The orientation sessions had a number of complementary purposes. First, they were designed to gather feedback on the straw model project design and the proposed mission of the Network, which was stated as follows:

> *To create a permanent regional network of quality-driven organisations for the purposes of exchange, dissemination, and implementation of best practice and to promote the Northeast as a centre for world class business performance.*

Second, the sessions were used to gauge interest in the project and to build support for, and commitment to the project. Third, the sessions began the process of building a shared understanding of the benchmarking process. The definition of benchmarking proposed at these sessions was borrowed from Spendolini (1992:)

> *'A continuous systematic process for evaluating the products, services, and processes of the organisations that are recognised as representing best practices for the purposes of organisational improvement.'*

The definition of benchmarking and the process model for applying it (see Appendix 3) served to allay any concerns about the Network being simply about measuring performance or creating league tables. The sessions also attempted to set some expectations about how much time and effort benchmarking required, as well as the potential benefits it could deliver. The discussion about resource requirements and time scales was suitably vague, in part because of the researcher's relative lack of understanding of what they would turn out to be. Like a first year university lecturer, he was only a chapter ahead of the students. Furthermore, he did not wish to delve too deeply into how much time and man power a

proper business process benchmarking study could potentially consume, lest he created a stampede for the exits. As a result, resource requirements were left suitably vague as were participants' commitment to the Project. The researcher did not exactly tell them what they were getting into, mainly because he did not know. The participants did not tell the researcher how much effort they would put into the project, probably because they did not know how much support they would get from their organisations.

The orientation sessions also sought to clarify the research aspects of the project and what additional work that might mean for the participants. It was made clear to participants that one of the 'costs' of the group benchmarking project was agreeing to co-operate with the researcher to enable production of this dissertation. This was never presented as a particularly onerous task, and in reality never turned out to be one. The main research requirement for participants was to provide information about their organisation, and make themselves available for several interviews. The interviews actually formed an important part of the methodology, as they enabled participants, and the researcher to reflect on their experiences with the group benchmarking process. Confidentiality of individual and organisation was assured. Another important element of the orientation sessions was to discuss the Business School's role in the project. In addition to the role of researcher, which was clear, participants did not understand how much support they would get from the School for their benchmarking efforts. It was proposed that the Business School would also play the role of 'honest broker' to ensure fair play and appropriate protocols, etc. At the time, support was envisaged to include a role on a Network steering group, support for selecting benchmarking projects (including an introduction to the EFQM Model), help establishing common interest, and training in the basics of benchmarking. Direct support from the Business School for the common interest groups was not anticipated at this point.

After completing the orientation sessions, a few minor revisions were made to the project plan. The plan and supporting documentation were put together into a booklet, which was sent to all prospective members. There were concerns about the pace of the project, as some participants believed it would not move quickly enough for their organisations. Others were concerned about the potential resource commitment, and whether their organisations were willing and/or able to support it. There were also concerns about professionalism and confidentiality, though these were not related to the research process, but rather to the benchmarking process. As a result, it was agreed that the next step in the process would

be to agree organisational structures and establish a code of conduct to guide all formal contacts between network members. The orientation sessions served to kick off the project, to build support and commitment, and to identify which organisations would move forward to the next stage.

4.2.1c Establishing Organisational Structures and a Code of Conduct

About one month after the orientation sessions, the researcher designed and delivered a half day workshop to agree an appropriate code of conduct for the Network, to design and create a steering group to begin the process of transferring ownership from the researcher to the participants. The protocol meeting was also used to gauge the level of support for the project, and to again address concerns regarding resource requirements and pace. The agenda, and slides used during the session can be found in Appendix 4.

The meeting began with a review of progress and an update on the current state of membership. The discussion then turned again to the issues of pace and resource commitments, which were inextricably linked by ignorance and impatience. Many participants were beginning to get impatient. The idea for the Network had been mooted nearly a year previously. By the time of the Protocol Meeting, the researcher had been in-post for nearly six months. The proposed schedule showed participants wouldn't actually start doing any benchmarking until October, which was in four months time (including the month of August, considered a 'dead' period in the UK). At the same time, they did not really understand what they were getting into. While the orientation meetings had made clear the approach which the Network would take to benchmarking, i.e. structured and systematic rather than the ad hoc, industrial tourism variety perpetrated by the Best Practice Club, neither participants, nor the researcher, fully understood the resource implications. Resource implications included not only the actual benchmarking groups, but also the time and effort leading up to the formation of these groups. In particular, most participants, as will be discussed below, did not understand either the importance of carefully choosing a benchmarking project, or the amount of time this could potentially take. At the same time, the researcher failed to appreciate how little time participants were willing to devote to what he considered the most vital step in the process- deciding what to benchmark. Furthermore, not all saw the need to spend time on organisational structures, protocols, and codes of conduct. They were eager to benchmark, and did not see the point of further delay. These issues were discussed within the group. The researcher agreed that if participants were

willing and able to move more rapidly then efforts would be made to accommodate their wishes.

Whilst a number of participants were eager to get started, there were still a few organisations sitting on the fence, trying to hedge their bets. They did not want to miss the boat, but were afraid of being sucked into something from which they could not extricate themselves. The researcher attempted to address this concern by describing a progression of commitment, which would allow members to get as much or as little involved as they wanted. The progression went from being an innocent bystander to being willing to serve as a benchmarkee, and on to taking part in a common interest benchmarking group. This helped to allay some concerns at the time. It also allowed individuals to continue to duck the issue of commitment. They could 'hang around' the Network, coming to events, attending training, etc. but never actually do any benchmarking. The researcher now believes that this probably slowed the process down, and in hindsight it may have been better to move quickly ahead with a very small group with similar levels of interest and commitment. Demonstrating success in a small group, may have been a more effective way, in the long term, to build the Network rather than trying to give the appearance that it was more active than it actually was.

The Code of Conduct (see Appendix 5) put to Network members during the meeting was based on a model provided by the American Productivity and Quality Centre which ran a benchmarking network and provided benchmarking services and consultancy primarily to large US manufacturing companies. The standard code was modified by the researcher to reflect its use in an inter-organisation setting. The changes reflect the desire to make the common interest group benchmarking findings (or at least a sanitised version of them) available to all members of the Network. They also reflect some members' fear of being bombarded, often inappropriately, for information. Therefore, specific mention was made of the right of refusal and the use of a pre-designated contact person. The clause related to the selection of new members by the steering group was included to allay some fears that the Business School would recruit willy-nilly if they spotted an opportunity to profit from the Network and its activities. Finally, the changes take into account the researcher's desire to publicise the activities of the Network and to produce and/or publish research findings. In presenting the Code of Conduct to members, the researcher summarised the purpose and

potential benefits as follows:

- The goal is free flow of information amongst group members though each organisation sets its own limits on information sharing and the integration with the group.
- No access to Network information is given to third parties outside the Network without the approval of members.
- Network members agree to use an organised and systematic approach to benchmarking and information sharing.

The emphasis was again clearly placed on controlling/limiting commitment, confidentiality, and on maintaining a professional approach to benchmarking.

This emphasis was re-enforced when the subject of the meeting turned to organisational structures (see also Appendix 6). The following structures were proposed and agreed during the meeting:

- network steering group
- external advisory panel
- regular network exchange meetings
- network directory
- designated contact person and research liaison

The Network steering group made provision for up to nine Network members and two Business School representatives to meet on a quarterly basis. The role of the steering group was intended to include organising Network meetings and exchanges, vetting proposed members, regular review of the code and structures, and monitoring and evaluation of Network effectiveness. From the researcher's perspective the purpose of the steering group was to transfer ownership and leadership of the Network to members to help ensure its permanence after the end of the research programme. At the time, the researcher believed that he could lead the Network to self sufficient 'maturity' over the course of the research. That goal never came to fruition. The steering group did meet on a regular basis to vet members, review progress and informally evaluate effectiveness. They also provided the researcher with valuable feedback and insights. Unfortunately, they never took on an organising or a leadership role, which in retrospect was always going to be unlikely.

The proposed external advisory panel was designed to provide a link from the Benchmarking Network to other regional quality networking and competitiveness initiatives. The purpose of this linkage was to ensure the Network practised what it preached about the

benefits of networking and learning from others. It also sought to address a concern about competition amongst the various initiatives designed to encourage co-operation. This concern was expressed by several participants from leading local organisations who were involved in a number of regional quality networking activities. The other motivation was the long-term financial survival of the Network. Without University funding, which would end after three years, the Network would collapse. Subscription fees did not come close to covering the cost incurred by the University to support the Network. In the long-term, linking to the activities of the DTI, CBI and the like, was key to survival. The plan for an external advisory panel never got off the ground. Whilst the researcher was good at talking about Networking, like the participants, he had little real time to do it.

Membership meetings formed the third element of the planned organisational structures. These were designed to bring members together to initiate the formation of formal common interest groups, as well as informal benchmarking exchanges between organisations. As originally planned, the meetings were to take place every two to three months once the Network was up and running. Responsibility for hosting the sessions fell to Network members, while the role of chair-person was to be taken by a member of the steering group. The Business School's role was meant to be purely administrative. The meetings were a further step in the plan to transfer ownership, as well as a key mechanism for developing relationships between individuals and organisations, which, over time, might turn into benchmarking partnerships.

Unfortunately, like the external advisory panel and the transfer of ownership of the steering group, the plan did not really come to fruition. The Network membership meeting became the Exchange Meeting that is described later in this Chapter. This was repeated at the beginning of round two of the group benchmarking process, some eighteen months later (rather than every two months). Most informal exchange of information and the development of relationships were confined to Best Practice Club meetings. The role of driving the exchange process was taken on by the researcher, not by the steering group as originally envisaged. The original plan for a series of membership meetings that would somehow result in the formation of common interest benchmarking groups, reflected the researcher's total lack of a plan of how the exchange process would actually work in practice. As the Network developed, it became clear that exchange was not going to happen spontaneously, it would have to be pushed, as it was not going to be pushed by a

steering group. As a result, the idea for an Exchange Meeting was hatched by the researcher. Before this though, significantly more 'experiential' learning had to occur.

The fourth element of the organisational structure was the creation of a Network Directory. Originally, the Directory was to be closely linked to the project selection process and EFQM self assessment which are discussed below. Therefore, in addition to basic information about each organisation, including the person through which to funnel all benchmarking requests (see below) it was intended to include information about which areas organisation felt they were examples of better (or best) practice, as well as those they wished to improve. The Directory was designed to help encourage benchmarking exchanges. An individual could pick up the Directory, or a summary matrix of it, to quickly identify who might be good at a particular business process, and therefore might be a useful benchmarking target. It would also contain enough information for the benchmarker to determine whether the potential benchmarkee was analogous enough to benchmark. In addition, by providing a contact name, familiar with the benchmarking process, the Directory provided a useful first point of access to the benchmarkee.

In reality, the Directory was never linked to the project selection process, which never managed to generate the data originally intended to be included in the Directory. Instead, it covered the areas listed below for each member organisation:

- Contact
- Address
- Phone/Fax
- Background
- Business Sectors
- Products or Services
- Markets (Geographic)
- Customers
- Suppliers
- Competitors
- Owner
- Sites
- Turnover or Budget
- Employees
- Other

In its final format, though not as extensive as planned, the Directory still provided a ready reference for potential benchmarkers, though was never useful in stimulating the creation of benchmarking partnerships in the way originally envisaged by the researcher. In its first conception, the Directory would have contained all the information to make benchmarking a spontaneous activity. It could have even been computerised, and updated on a regular basis, particularly the areas which organisations wished to improve. Unfortunately, nothing resembling spontaneous benchmarking ever occurred. In fact, the information required to enable spontaneity was never forthcoming from participants. Almost all exchanges, as

noted above, were driven by the researcher. Left to their own devices, there is very little evidence participants would have got together to benchmark. The original expectations rested on the researcher's fairly naïve assumption that 'if you build it, they will come'. Build the Network. Create the Directory. Hey Presto, benchmarking.

The final elements of the organisational structures related to the designation of a contact person, mentioned above, and a research liaison, through which the researcher could gain access to participating organisations. In practice the research liaison tended to be the Network contact person. The semi-structured interviews, which are described in the following chapter and are the primary basis for the case studies presented later in this dissertation, were conducted with all contact persons/liaisons from 'active' participating organisations. It was intended that the research liaison would also be used to collect research data using a reflective diary. This diary was dropped amid growing fears about the time commitment of maintaining it, and about adding to the increasing paperwork/bureaucracy the project appeared to be creating.

The role of the contact person was deemed essential to maintaining a professional approach to the benchmarking process. It was created to ensure that all benchmarking requests went through a single person, who could control his/her organisation's resource commitments. The designation of a specific person was also designed to ensure the benchmarker did not waste their time with an organisation which was either not prepared to benchmark, or was not particularly good at the process/function being benchmarked. It was planned that the contact person, would have extensive knowledge of his/her organisations knowing its strengths and weakness, and the most appropriate person to which to pass on the benchmarking request. Together with the proposed Directory (see above), this could have significantly enhanced the benchmarking process and, in addition, reduce wasted time for both parties to the exchange. In practice, the contact person was little used, as very few benchmarking contacts and exchanges came outside of the context of the common interest groups. However, in cases where the contacts were made, all (as far as the researcher is aware) came through the contact person in a professional manner. In that way, the use of a contact person helped ensure a professional approach to benchmarking in the Network.

4.2.1d Gathering Data and Deciding What to Benchmark

Following the Protocol Meeting, the group benchmarking process moved into a data gathering phase designed to create a Network data base of performance and practice, and, in the process, help organisations decide on appropriate projects. The primary mechanism to achieve both of these objectives was something the researcher called the 'project selection process'. This process, an overview of which is depicted in Figure 4.4 was designed by the researcher with input from other members of the research team. It consisted of a series of worksheets (see Appendix 9) which asked participants to identify potential business process benchmarking projects by working from their organisation's mission statement to its critical success factors and onto the key business process and sub processes which were linked to the achievement of the critical success factors. After identifying the key processes and sub processes, participants were asked to create a short list of potential benchmarking projects, which, subject to interest from other participants, could be the focus of a common interest benchmarking group.

The project selection process was based on a 'TQM logic' (see Oakland 1993) of mission, vision, critical success factors, key processes and sub processes, etc., as well as the advice of leading benchmarking experts like Camp (1989), Zairi and Leonard (1994) and APQC (1993) on how to choose appropriate benchmarking projects. It is also closely linked to the concept of policy deployment or Hoshin planning (Camp, 1995:7). The worksheets also asked participants to identify measures, targets, and benchmarks for each critical success factor and business process/sub process. This was based on the format of the EFQM Model assessment scheme, and was designed to help participants identify those areas in most need of improvement. By linking benchmarking projects to the organisation's critical success factors (see Camp, 1995) it was hoped that organisations would choose projects which were important enough to their success to warrant the commitment of appropriate resources over the extended period of time required to perform a benchmarking project. In addition, the identification of measures could lead to the creation of a data base of performance and practice, as discussed above, which could facilitate the benchmarking process. The researcher also believed that as each organisation began to identify its key process, a 'taxonomy' of common process and performance measures would emerge as the data was collated (by the researcher) into a matrix representing all the Network participants.

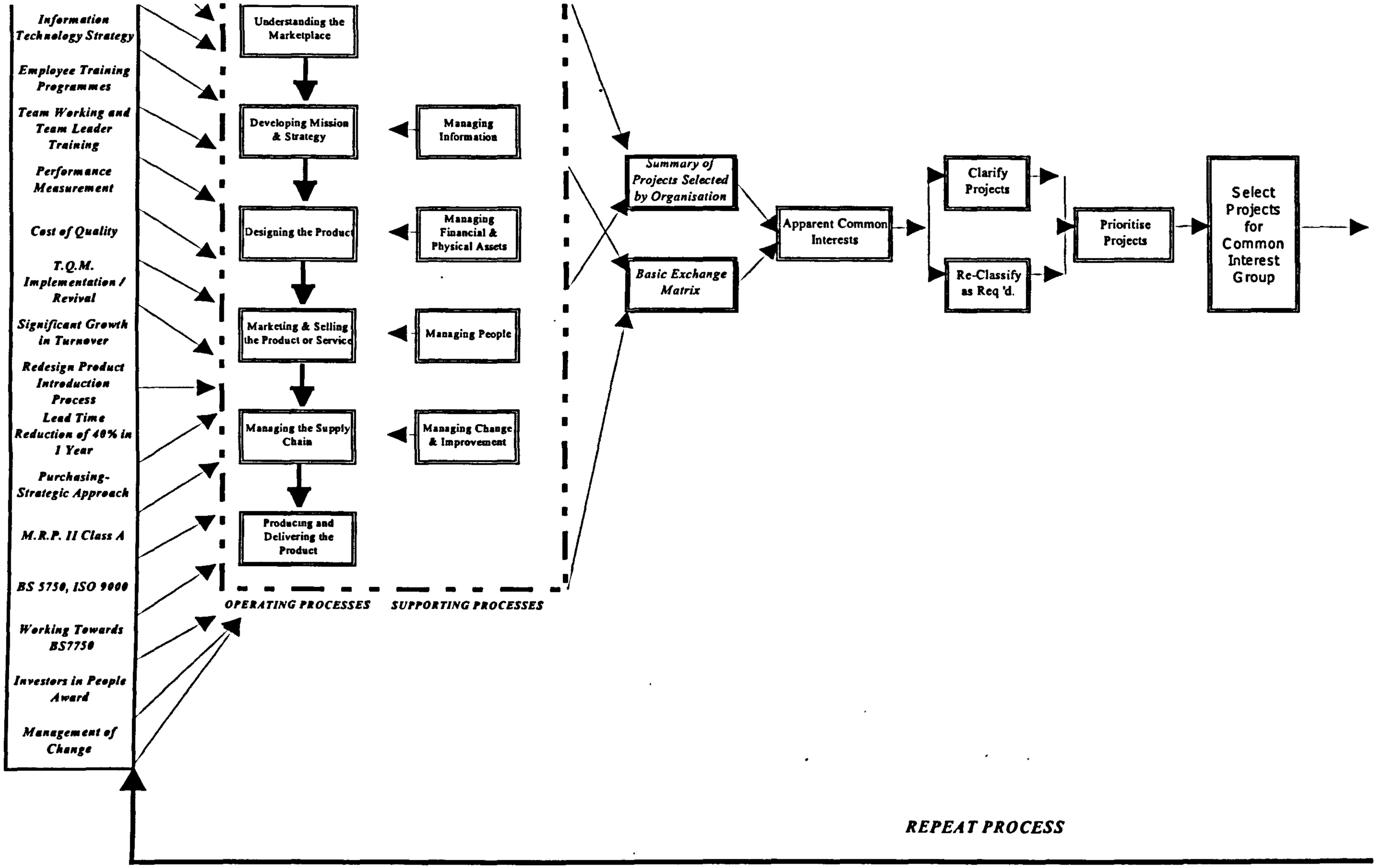

Figure 4.4: Overview of the Exchange Process

The concept of a process taxonomy, defined by APQC (1993:145) *as a systematic and orderly classification of business processes according to their natural relationships*, was based on Camp (1989) and his discussion of the process taxonomy, or 'SIC code' of business processes established by Xerox. The taxonomy featured in the work of the APQC (1993:145), was based on systems thinking. In this case, the process taxonomy was expected to emerge from the data, driven by the project selection worksheets, rather than 'forced' on the participants by the researcher. The purpose of the taxonomy was to create, within the Network, a 'common benchmarking language' that could facilitate the transfer of best practice. If Network members shared a view of their organisations in terms of a hierarchical system of inter-linked, 'generic' processes, then there would be clear terms of reference and it could make it easier to exchange information about performance and best practice. As Camp (1995:245) points out, a process taxonomy creates a common definition of processes so that benchmarking can get started more quickly. There is less confusion about whether the two parties (or in this case several) are talking about the same thing. It was believed that if participants shared a common process language, it would be easier to establish true 'common' interest groups and once those groups were formed, to transfer best practices.

Initially, the researcher had considered using the EFQM Model as the framework around which to form common interest benchmarking groups. The Model provides nine distinct (though inter-related) areas which could form the focus of a common interest group. Each of the nine 'boxes' of the Model are further broken down into a number of sub categories, which could provided an even tighter focus for a common interest group. In addition, each of the sub-categories is well defined, with a number of areas to address identified in the detailed language of the Model. Thus, the Model could provide a very useful mechanism for creating groups with a clearly defined common interest, which could in turn facilitate the benchmarking process and the transfer of best practice. This is similar to Cleveland's (1995) discussion of the value of developing a common definition of world class manufacturing. In addition, the Model's scoring and assessment system enables users to identify the strengths and areas for improvement in each sub-category (called sub criterion), and to score/rate their performance on a numerical scale. This allows organisations to quickly identify areas which could be improved using benchmarking, as well as those areas in which they excel, and could, therefore, be the target of another Network member's benchmarking efforts. As Szulanski (1996:)[lxx] points out, the observation of performance

gaps can stimulate the search for the better/best practice which drive those gaps (see also Lant and Mezias, 1990). Similarly, the observation of better/best practice can initiate efforts to transfer those practices (Szulanski, 1996). It is not difficult to see how the EFQM Model, if applied by a Network could both highlight gaps and make it easy to identify the existence of better/best practice, which could lead to the transfer of best practices.

Unfortunately, in this context, efforts to use the EFQM Model as a framework for common interest benchmarking groups were very short-lived. In order to use the Model as a framework for Network benchmarking, individual member organisations need to be actively using it (or at least be willing to start using it). Usually, that means the organisation has used the Model for self-assessment. That is, they have worked through all nine boxes of the model (including all the sub-criteria within the boxes) and have identified their strengths, areas for improvement, and have rated their performance. This is not any easy task. In order to get any value out of self assessment, a significant amount of time and effort must be spent. The Model is complex and the process of self assessment fairly time consuming, depending on the method chosen.[lxxi] To be effective, it requires top management support, and ideally, involvement. It also requires careful planning to ensure the right people are involved, the process is appropriately facilitated by internal and/or external experts, and the output is used effectively. In short, it is not a task to be entered into lightly, particularly by quality novices, or by quality managers attempting to do it by themselves.

In this case, it was never going to be a viable option, particularly in the short-term when the researcher was trying to establish common interest groups. The complexity of the Model, and the time and effort required for self assessment scared the pants off most participants. They wanted nothing to do with it. They wanted to get started benchmarking, and could see little value in getting side-tracked using self assessment and the EFQM Model as part of the preparation. The Model got pushed into the background. The researcher did become a trained assessor, and served as a quality award assessor during the course of the research. His knowledge was shared with participants during an optional EFQM training in autumn 1994. He also arranged a three day assessor training course in the spring of 1995 which a dozen Network members attended. Whilst the Model never became the framework around which common interest groups were formed, it was, over time, picked up by a number of Network members who began to use it for self-assessment. In that sense, the Network can

claim some credit in introducing the Model to Network members, though it wasn't successful in 'ramming it down their throats' at the outset.

The project selection worksheets met a similar fate as the researcher's attempts to use the EFQM model. Though the worksheets were provided as guidelines, members interpreted them as a requirement. Thus, when faced with the daunting prospect of identifying their mission, critical success factor, process, and sub processes, as well as capturing measures and benchmarks, most Network members cried 'Uncle'. A few used the framework to help come up with a list of projects, but not a single organisation actually completed the various worksheets that were posted to all members in August 1994. The situation came to a head at the first meeting of the Network steering group on 19 October (see Appendix 12), where steering group members were adamant about the need to simplify the project selection process in order to get benchmarking started. Most believed that a common language and measures would develop over time, and they could not wait for that development before starting to benchmark. As a result, it was agreed that the process would be simplified and a Network exchange meeting would be held in early December.

The simplified project selection forms are contained in Appendix 10. The revised process was a one page sheet asking organisations to list their potential benchmarking projects. No explanation, description, or current performance measures were required. Participants were also asked to identify their organisation's recent accomplishments. This was in place of strengths, as the steering group seemed to believe that most organisations were too 'modest' to brag. The researcher believes they were also probably afraid of claiming expertise, only to be embarrassed later if they were found to be well short of best practice and performance. In any event, the simplified version of the project selection process did serve to get things moving towards common interest benchmarking groups, even if the long term effect of simplification may have been detrimental to the impact of the group benchmarking process.

Whilst participants struggled with project selection, the researcher went on a drive to recruit new network members to feed into the process. The recruitment drive was spurred by growing concerns regarding the drop out rate of participants and the need to have an adequate pool of organisations from which to create common interest groups. A brochure describing the Network was produced (see Appendix 7) and an information packet and

application form was put together by the researcher (see Appendix 7). The application packet was a fairly extensive document which included a section addressing frequently asked questions, the Network Code of Conduct and Organisational Structures, request for Directory information, and examples of an exchange matrix (assuming the use of EFQM model and the project selection sheets). The application asked potential members to complete a questionnaire related to their critical success factors and how they were measured and benchmarked. It also presented the APQC process taxonomy and requested that they review the list of processes and record whether they were measured and documented within their organisation, and whether they had been benchmarked. Finally, the application asked potential members to complete a benchmarking questionnaire designed by the researcher based in part on the Benchmarking Best Practice Award. The purpose of the application materials was not only to gather useful data on members and to help get them thinking about the benchmarking process, but also to attempt to judge their relative quality and benchmarking maturity, which were beginning to emerge as key determinants of the impact of the group benchmarking process. The recruitment drive netted half dozen new members. However, like the other paperwork generated by the researcher, few bothered with much of the application packet. They filled in the information required for the Network Directory, jotted down a few ideas for benchmarking and identified a few recent accomplishments, and off they went to start benchmarking.

4.2.1e Matching Benchmarking Interests

The final stage of preparation involved the matching and exchange of common interest groups. This involved two steps, one done by the researcher, the other facilitated by him. Before the formal exchange meeting, the researcher collated all the lists of benchmarking projects submitted by Network members. In all, twelve organisations (of the twenty one which completed an entry for the Network Directory) submitted potential benchmarking projects and a list of recent accomplishments. The researcher categorised each project using the APQC taxonomy general headings and then grouped similar projects together to illustrate potential common interest groups. This was a bit of an 'iffy' process, as the Network had no real common language and no explanation or description was attached to any of the project lists. The matrix was a rather extensive document because many organisations had failed to narrow their list of potential projects to a manageable number. The same method was applied to the list of accomplishments, which the researcher tried to link, where possible, to potential common interest groups. These 'exchange matrices' were

posted to members about ten days before the exchange meeting to confirm that the researcher's attempts at classification were appropriate, and also to encourage participants to think carefully about their priorities and which projects they wished to pursue, as 'D-Day', nearly six months in the planning (since orientation) was now rapidly approaching.

With the exchange matrices created and distributed, the researcher designed an 'exchange meeting' which would be the vehicle for forming common interest groups and getting the benchmarking process underway. The meeting was broken down into four sections. The first section was used by the researcher to explain the process used to date, and, in particular, the logic behind the matrix and the how the preliminary common interest groups had been identified. The process to be used to finalise selection was also explained. Once the explanations were out of the way, participants got down to the task of prioritising their preliminary benchmarking interests and discussing them with other potential group members. The methodology used on the day was decidedly 'low tech'. Before the meeting, all the potential benchmarking common interest groups (project name and members) had been captured on flip charts, and were posted around the seminar rooms. Thus, attendees could easily see which groups they and others had been placed in, and could get an impression of the significant number of potential common interest groups, which had been identified. First, participants were asked to review the potential common interest groups to review whether their interests had been categorised appropriately by the researcher. The second task was to put a red dot next to the projects they were no longer interested in pursuing. The third task was to place a yellow/amber dot next to those which were on hold, but still of potential interest, perhaps depending upon interest from other members, etc. The fourth task was to put a green dot next to those projects, which they still wished to pursue. Once these tasks had been completed, there remained about a dozen potential common interest groups (i.e. at least two organisations interested in benchmarking a particular process). The participants were then left to discuss amongst themselves to determine whether the potential common interest group was a viable option. From these initial discussions, eight potential common interest groups were designated to be taken to the next stage- i.e. benchmarking.

Once the deliberations were completed, the researcher provided a brief overview of the way forward and how the common interest groups might work. This process was not altogether clear, because this process would largely be up to each common group to decide. The

meeting closed with a feedback session (captured on video tape), which is later in this dissertation. The Network took a break for Christmas, and the next formal session was held in late January 1995 when the researcher designed and delivered (on four separate occasions) a one-day benchmarking training workshop for all interested participants. Most active member organisations sent at least one representative. Several organisations sent as many as six people. By the end of January 1995, over nine months after they started, twelve months after the researcher arrived, and nearly two years after the idea was first raised, the Benchmarking Network finally started benchmarking!

4.2.2 Benchmarking in Common Interest Groups

Eight common interest groups were formed at the exchange meeting. The groups were as follows:

- Customer surveys
- Business Process Reengineering
- New Product Development
- Handling Customer Complaints
- Maintenance
- Cellular Manufuacturing
- Teamwork/Team Building
- Cost of Quality & Implementing TQM (later became Managing Change)

Of those eight groups, three actually held at least one session. The remaining five never met formally as a common interest group. Of the three groups that held an initial meeting, only two, managing change and measuring customer satisfaction actually completed the common interest group process. The third group met once and decided to call it a day. In total, six of the twenty-one Network members took part in the common interest group stage of the benchmarking process. These two groups are described in further detail below. The benchmarking process model that was designed by the researcher is shown in Figure 4.5. It begins with group members clarifying the initial common interest first discussed at the exchange meeting. Once the group determines that they in fact have a common interest, objectives and time scales are established, and the process to be benchmarked is broadly defined. The next step in the process addresses group protocols and housekeeping issues to help ensure effective group interaction. From there, individual group members begin the task of understanding their own process, including the key activities and practices and the current level of performance (for example cost, quality and time). Once each group member

Common Interest Group:	*Customer Surveys*	*Business Process Re-Engineering*	*New Product Development*	*Handling Customer Complaints, Customer Service*	*Maintenance*	*Cellular Manufacturing, Manufacturing Process Improvement*	*Teamwork, Team Building*	*Cost of Quality*	*Implementing T.Q.M.*
Participating Organisations & Contacts:	CONFIDENTIAL								
Group Co-ordinator:									
First Meeting Date:									
Major Business Process:	Understanding the Marketplace	Developing the Mission & Strategy	Designing the Product or Service	Marketing & Selling the Product or Service	Producing and Delivering the Product	Producing and Delivering the Product	Managing People	Managing Change and Improvement	Managing Change and Improvement

Figure 4.5: Common Interest Groups Formed at the Exchange Meeting

reaches a basic understanding of their own processes and performance they are ready to begin designing a benchmarking questionnaire which they can use to help discover good, better or best practice within the group, and later within the Network and beyond. The idea for the questionnaire came from the benchmarking training seminar delivered by the researcher. The researcher based the seminar design on a model devised by CCI (1993), which was similar in approach to most of the leading benchmarking texts. The heart of the benchmarking process was the creation of a benchmarking questionnaire, which could be used to effectively compare performance, identify gaps, and to lead to the discovery of the practices, which drove superior performance.

Once the benchmarking questionnaire was designed, it was ready to be piloted within the common interest group. In other words, each common interest group would complete the benchmarking survey. This provided an opportunity to identify superior performance and practice within the group which could lead to the transfer of good, better or best practice between members of the common interest group. Once this was completed, the benchmarking process moved outside of the common interest group to the wider Benchmarking Network and/or to best-in-class organisations. After researching to determine potential best in class organisations (within the agreed boundaries of the search), the group used the survey to collect data. The data was then analysed to identify performance gaps and highlight potential best practices. The analysis was shared within the group, and individual members were left to their own devices to implement. There was no

plan within the model conceived by the researcher to support group members' efforts to implement best practice.

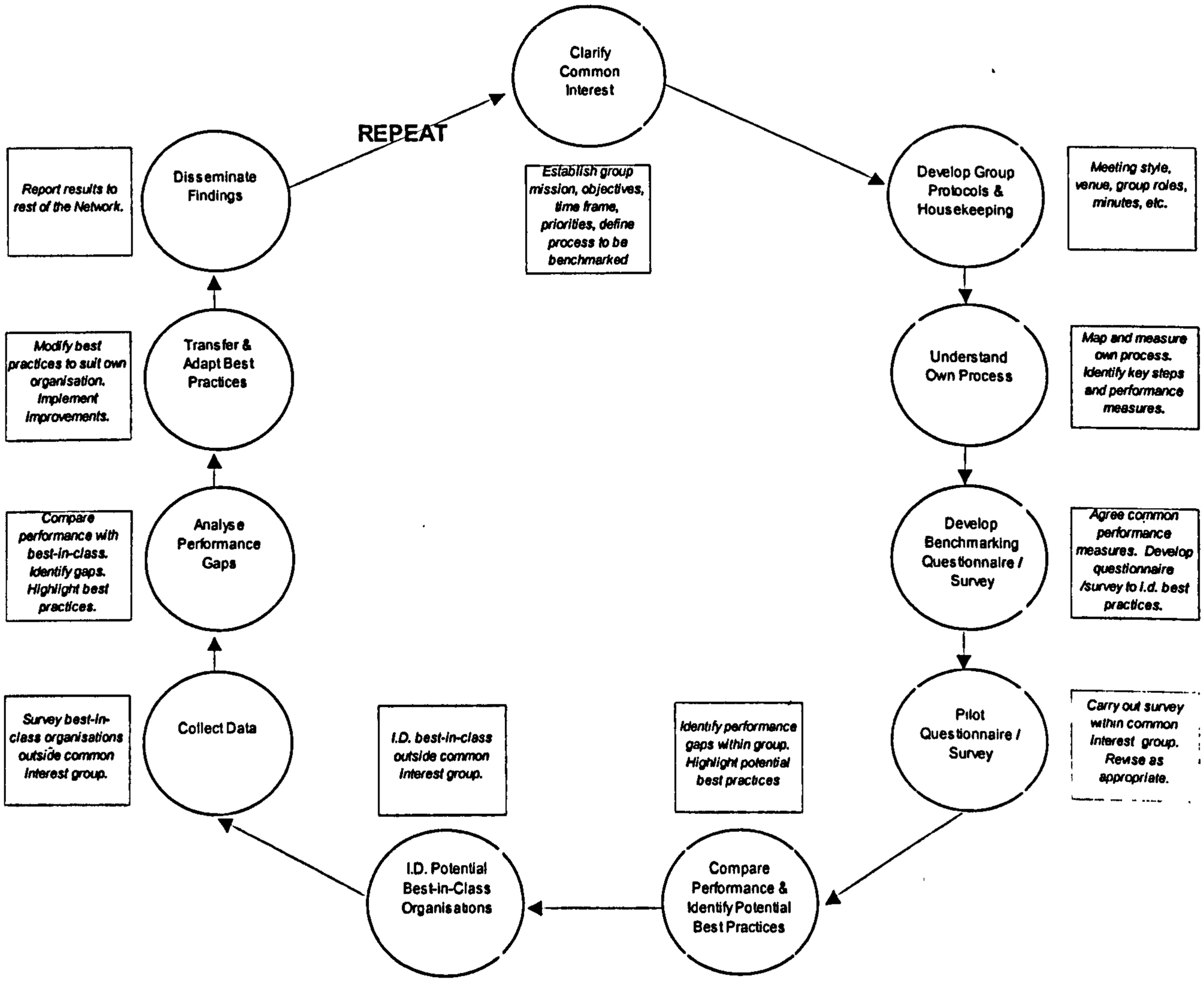

Figure 4.6 Common Interest Group Benchmarking Process Model

The benchmarking process model used within the common interest groups a plan, do, check, act cycle, with a significant emphasis on planning and preparation before actually going out to benchmark. Preparation included, not only individual understanding of practice and performance, but also questionnaire preparation and piloting within the common interest group and the identification of potential best practice benchmarking partners. Until that point, the process was effectively preparing to benchmark. The logic of the questionnaire and its creation was also straightforward- before you leave your organisation (or the common interest group) to visit a benchmarking partner, you must prepare a set of questions which would enable you to determine whether the benchmark's performance is better than yours, and if so, why, i.e. what practices, processes, etc., enable superior performance. Failure to prepare will limit the probability of transferring best practice. The researcher also insisted that preparation of the questionnaire was only possible if the common interest group members understood their own process, no matter how inefficient or

ineffective. In other words, if they did not understand themselves, they could not understand others or even what questions to ask them. The final bit of advice given to the common interest groups by the researcher was to divide the process into four steps, not surprisingly, plan, do, check, act. Thus, the measuring customer satisfaction group broke their survey down into four parts:

- How do you plan the survey?
- How do you carry out a customer satisfaction survey?
- How do you analyse the results of the survey?
- How do you use the results to plan improvement actions?

The managing change common interest group, a copy of which can be found in Appendix 13, used a similar questionnaire format. In theory, the model seemed to be reasonably well suited to a common interest group application. Not only did it stress preparation, and hence reduce the risk of industrial tourism, it also reflected the opportunity to prepare and to learn within the group before going outside.

In practice, to the extent that it was actually applied by the two common interest groups, the common interest group benchmarking model seemed to work fairly well. Unfortunately, neither common interest group actually applied the benchmarking process model with any great degree of rigour (see Appendix 13 for a copy of the meeting minutes for both groups). The measuring customer satisfaction group probably came closest to working through the full benchmarking process. However, they started out by skipping any real discussion of objectives and time scales. Housekeeping and protocol issues were limited to a decision regarding which organisation would host the meetings and prepare the meeting notes. At the first meeting, members struggled to determine whether they had a common interest group and the way forward. They met for a second time after receiving a full days training on how to benchmark, which stressed the need to prepare properly to prevent poor performance. Nevertheless, group members were eager to make a 'benchmarking' visit as soon as possible, and before making any effort to understand their own process. The researcher convinced them of the need to prepare a set of questions they would like to ask before dashing out to the parking lot to begin their first visit.

The measuring customer satisfaction group eventually produced a benchmarking questionnaire (see Appendix 13) with each group member preparing a section for review by other members. The questionnaire was piloted within the group, but little effort was made to

identify good, better or best practice within the group. Most of the group member's measuring customer satisfaction process was either sub-standard or non existent, therefore the group members believed they were unlikely to be valuable sources of transferable best practices. Once refined within the group, the questionnaire was used (by one group member) to benchmark against eight external organisations. In the end, the group never actually visited another organisation. All benchmarking was done via post and telephone. Results of the benchmarking survey were collated, and the raw data was shared within the common interest group. The final meeting of the group was in September 1995, thus the group had run for almost nine months. Several members of the common interest group analysed the raw data and, as discussed in subsequent chapters, there is some evidence that group members actually used the benchmarking data to improve their processes. In addition, there is some evidence that some group members applied the lessons learned about the benchmarking process to subsequent benchmarking exercises undertaken by their organisations.

Like the measuring customer satisfaction group, the managing change group dispensed with most of the initial formalities, particularly those related to time scales and commitments. They agreed to rotate the chair and the responsibility for keeping the meeting minutes. Like the other group, they were persuaded to spend a bit of time understanding themselves before rushing out to find out what other organisations were doing. Again, it took a long time to get to this stage of the process, as the group seemed reluctant to make any hard decision regarding the questionnaire for fear of offending any of the individual members. Once the questionnaire was devised, it was piloted within the group. The four members[lxxii] of the group agreed to work in pairs to apply the questionnaire to each member's organisation. Thus, two members would team up to apply the questionnaire to a third member's organisation. After more than nine months had elapsed, the common interest group had completed this task. They made a decision not to extend their efforts outside of the common interest group. A final report that attempted to highlight good practice within the group was produced by one group member and was distributed to the rest of the group (see Appendix 13 for a copy). The managing change common interest group then wrapped up its activities in January of 1996, about one year after they were formed. As discussed in later Chapters, there is little evidence that any of the lessons learned or the good or better practices identified by the group were ever applied.

4.2.3 Reviewing Common Interest Group and Network Effectiveness

A number of formal and informal review mechanisms were built into the group benchmarking process. These included:

- On-going review by the researcher in his capacity of participant observer
- Regular review and oversight by the Network steering group
- An end of process review by members of each common interest group
- Formal and informal review at the conclusion of events/workshops (particularly while establishing the Network and CIGs)
- Regular project (and research) review sessions held with the research team
- An all Network review held with common interest group participants from rounds one and two
- Preparation of an interim research report and this dissertation (see next section)

A number of these mechanisms are discussed below.

4.2.3a The Researcher as a Reviewer

The initial model of the group benchmarking process assumed the presence of an external observer within the common interest group to monitor the process and progress, and to gather data related to outcomes and determinants. It was believed that this would enable the researcher, common interest group members, and other members of the Network members to learn more effectively from the experience. The 'passive' observer role, in practice, turned out to be more of a facilitator role during the process of establishing the Network, as well as during the early stages of the common interest groups[lxxiii]. Both common interest groups, despite the one-day benchmarking training course both struggled to find their feet during the first couple of meetings. In the case of the measuring customer satisfaction group, members were ready to start arranging visits before the end of the first session. Despite the fact, they had no understanding of their own processes, and had no idea what questions they would ask a best-in-class company, they were ready to jump in the car.

The role of the researcher at that point was to pull participants back to the benchmarking process, and stress the need for preparation. The researcher intervened again when the group struggled to understand how to break down the measuring customer satisfaction process into manageable chunks, so they could begin to understand it. The researcher suggested dividing the processes up into the P-D-C-A stages discussed above. The researcher also steered the group towards the production of the questionnaire and dividing this work amongst the group. The researcher also coached the group to pilot the survey

within the CIG, making any necessary refinements before going outside the organisation. Finally, the researcher tried to steer group members to information sources, which might be useful in locating potential best-in-class organisations against which to benchmark. The researcher did not facilitate each common interest group meeting that was left to participants. He attended most of the CIG meetings and intervened in the proceedings when it seemed necessary/appropriate. Fortunately, the research methodology used in this study (discussed in the next chapter) recognised this intervention as a valuable aspect of the research and the learning processes.

In the case of the managing change common interest group, the researcher's interventions were less frequent and less significant. One member of the group was also a member of the measuring customer satisfaction group, which happened to be a few steps ahead of the managing change group. This enabled him to transfer his experience from one group to the other. As he was a bit more experienced than the other members were, he also served as the de facto leader of the process. As a result, the researcher was able to play a more passive role. He did intervene at several points, in the first instance to suggest the group spend a bit of time addressing housekeeping issues. He also intervened early on to try to focus the team on the process they were meant to be addressing. This facilitative intervention was not particularly well received by the group, and as a result, the researcher made the decision to stay out of the process as much as possible. He concluded it was not up to him to decide whether the team should waste time on side issues and talking shop, but rather it was up to the team. They seemed to enjoy the 'debating society' format, even if it appeared to an outside observer that this sort of approach was not particularly conducive to benchmarking. Therefore, whilst the researcher attended a number of the meetings he provided very limited facilitation to the managing change group. Interestingly, some members of the group later concluded that additional support from the Business School would have been useful.

4.2.3.bCommon Interest Group Members as Reviewers

Both common interest groups conducted a final review of their performance. In the case of the measuring customer satisfaction group, the review was in the form of a closing meeting, which was led by the researcher, and other members of the research team. The key findings from this session, which are discussed later in this dissertation, were captured and were shared with the rest of the Network via a newsletter and later a formal information

sharing session. The managing change group also conducted a review of its performance. In this case, the group issued a final report, which was shared with the researcher and with other members of the Network. Again, the group's findings are discussed later in this document.

4.2.3c The Steering Group as a Review Mechanism

Another primary mechanism for reviewing the effectiveness and efficiency of the Network was the Steering Group. The views expressed by the steering group often provided a point of triangulation for the observations made by the researcher and the hypotheses, which he was beginning to generate. In particular, the following sessions proved particularly useful:

- October 1994
- January 1995
- June 1995
- December 1995

The first meeting of the steering group, as discussed earlier, led to a major revision of the project selection process. The session in January 1995, produced less dramatic results, but did help the researcher to focus on some of the research (as opposed to intervention) issues. In addition to reviewing the pace of the project and addressing any immediate concerns, the meeting was used by the researcher to get feedback on how to best monitor the common interest groups and the work of any internal benchmarking teams, which supported these groups. It was also used to get the group thinking about what factors were likely to affect the success of the common interest groups (i.e. the potential determinants), as well as any factors within their own organisation, which would influence their benchmarking efforts. This session helped to confirm some of the researcher's budding hypotheses about preparation, commitment, and the like, which would later be covered during personal interviews.

The June 1995 session was a very productive session, which came at about the mid-point of the common interest group process, and thus provided an ideal opportunity for an interim review. Before the event, steering group members were asked to consider the following questions and issues:

- Is the mission of the Network still appropriate?
- How do we measure success?
- How successful have we been so far?
- What needs to be done to progress the Network towards fulfilment of its mission?

Many provided written responses to these questions before the meeting (see Appendix 12). Steering group members generally agreed that the mission was still appropriate. How success should be measured raised a number of useful ideas. A number of members suggested that the success should be considered relevant to the elements of the mission statement. For example, is the network permanent? Are exchanges taking place? Are companies implementing best practices and gaining benefits from their benchmarking efforts? The researcher captured these ideas, and the reader will note that they have been incorporated into the framework used to measure Network effectiveness. The question of Network success thus far, also elicited valuable feedback, though not all of it directed entirely to the question. The comments of steering group members are summarised below (see Appendix 12 for a full transcript):

- For those not participating in common interest groups the impact is minimal, though all have benefit from training and other workshops, and consequently have a better understanding of benchmarking which could prove beneficial in future- particularly in avoiding costly benchmarking blunders.
- A co-ordinated momentum within the common interest group (and between the CIG and an internal benchmarking team) is difficult.
- Members should review their expectations about the Network and a common interest group and make the distinction between wanting to learn how to benchmark and wanting to benchmark to transfer best practice. If you do not know how to benchmark, a common interest group is unlikely to yield much in the way of best practice.
- There has been some discovery and exchange, but implementation is a ways off and will require additional effort.
- Success will beget success, and interest and participation in the Network will then increase.
- Exposure has been a useful way of provoking debate and focusing attention on business processes
- There is unlikely to be much best practice found within the Network. Better practice is more likely to be the case.

The feedback confirmed the researcher's initial hypotheses about effectiveness and determinants. The feedback from the steering group also pointed the researcher in the right direction as he prepared for a second round of interviews with participants.

The progress of the two active common interest groups was also reviewed. The steering group generally agreed that the two groups showed encouraging signs of progress towards delivering tangible benefits, and that efforts should be made to get more Network members involved. The review led the group to produce a substantial action plan, the highlights of which are given below:

- A second exchange process will be initiated in Autumn 1995- process to be revised to ensure commitment is gained prior to any kind of exchange meeting, as trying to do it on the spot wasn't particularly successful.
- Common Interest Groups will present their experiences to other Network members- most likely at the second exchange meeting
- A second newsletter to be produced to highlight success and achievements
- A common interest group progress report to be drafted by the Business School (did not happen)
- Revise project selection process to a tick box form (see Appendix 15) and create a form for capturing areas of strength within the network, as opposed to benchmarking interests, which tend to reflect areas for improvement.

Many of these ideas were taken forward and are further discussed later in this dissertation. Several basic messages were coming aloud and clear. First, try to get more people/organisations involved. Second, make that involvement as painless (i.e. non bureaucratic) as possible but make sure expectations are clear and commitment is gained beforehand. Third, the common interest groups are 'working', but could potentially deliver a lot more.

The steering group met again in December of 1995. Again, they reviewed progress to date, including the status of the two common interest groups. The measuring customer satisfaction group had completed its work. The managing change group was still meeting to finalise the findings from their benchmarking visits. The main focus of the meeting was on the paltry response to the Business Schools attempts to organise a second exchange process, about which steering group members were concerned. Their second area of concern was how to ensure new common interest groups were more effective than the first set of groups by this time, the impact of the process was becoming fairly clear- mainly educational in terms of learning to benchmark with some identification of good and better practice (no best practice) by the common interest groups. The key determinants of impact were also beginning to emerge. In particular, steering group members raised the following points:

- We need to be sure of the degree of commitment, which exists for these projects before proceeding.
- We also need to be sure of the "state of readiness" for benchmarking of the potential participants.

In other words, 'Are they willing and able? 'Let's find out before we get into a common interest groups.

The concerns voiced by members of the steering group led again to a detailed action plan reflecting the concerns expressed. The plan is summarised below (see Appendix 13 for a full transcript):

- Business School to contact those who have expressed a preliminary benchmarking interest to determine their level of commitment to the project. Questions to ask include the link to the organisation's objectives and strategy, reasons for participation, etc.
- Re-contact Network members who have not responded to the initial call for benchmarking projects
- Schedule initial exchange meeting for new potential participants. Ask each to explain to the other participants what they expect to get from the process, their current state of performance in the area to be benchmarked, and the level of commitment and time scale.
- Ask member organisations to identify the areas in which they excel, using a tick box form similar to that used to elicit benchmark projects (i.e. a simplified version of a process taxonomy) See Appendix 15

Many of these recommendations were implemented, particularly those related to preparation and commitment prior to entering a common interest group, as well as better planning of time scales and group roles.

The action plan again highlights concerns about preparation to benchmark effectively within a common interest group, as well as commitment to doing so. In simple terms, are the willingness and ability in place to benchmark within a common interest group? If not, do not bother.

4.2.4 Sharing Lessons Learned and Improving the Process

Round two of the group benchmarking process, as indicated above, began in October of 1995 with requests for benchmarking projects from existing members. During the summer and early autumn of 1995, a recruitment drive had netted nearly a dozen potential new members. As a result, Network size had grown from twenty-one members at the start of the project to over thirty by the start of round two. That is not to say, thirty active members, as many were unlikely to ever get actively involved in the group benchmarking process. As suggested above, a number of improvements were made to the group benchmarking as a result of carefully reviewing and reflecting on the processes and results of round one of the process. Many of the changes to the process were alluded to during the discussion of review mechanisms above. Most of the improvements relate to ensuring preparation and commitment before embarking on the benchmarking process. This emphasis was consistent with the advice offered in most leading benchmarking texts (see for example

Camp, 1995; Watson, 1993; Zairi and Leonard, 1994) as well as most models of group performance (see for example Hackman, 1987). The key changes to the process are discussed below.

The first change was to the project selection process. (A copy of the format is contained in Appendix 15). It was reduced to a tick box form listing twenty-nine business processes from which participants could select potential common interest group benchmarking projects. This made the selection process significantly less systematic (and less painful) than the researcher's original model, though a bit more sophisticated than a request to list down the first thing that comes into your head, as was eventually used during round one. The list of processes was a condensed version of the Camp/Xerox taxonomy, and as a result, it continued to help re-enforce the development of a common benchmarking/business process language within the Network, which could facilitate the transfer of best practice.

Once potential projects had been selected and before the formation of common interest groups, more emphasis was placed on preparation, commitment and setting expectation and objectives. The key to this was an 'induction' process which began with a short benchmarking survey (see Appendix 15) which asked participants to:

- Describe the process they proposed to benchmark including a flow chart if available
- Rate its relative importance to the organisation's critical success factors.
- Describe how it was measured internally (i.e. cost, quality, time, etc.) and the current level of performance
- Identify the customers of the process, the factors which were most important to them (i.e. cost, quality, time, delivery, etc.), and the current level of performance
- Highlight which aspect of performance they were most interested in improving
- Establish the time frame for improving the process

This survey was done before a formal induction/ exchange meeting in February 1996. During the meeting, each participant shared this information with the rest of the group as a starting point for determining whether there existed enough common ground to move forward with a benchmarking exercise. During the induction process, the research team shared a model of the common interest group process with the participants. As shown in Figure 4.7, it broke the common interest benchmarking process down into five stages, and clarified which activities were done as part of the group, and which individual members did outside. Not only did the model provide clarification, it also further emphasised the need to plan the common interest group process before jumping straight into the benchmarking.

Even before the planning phase, participants were urged to consider the feasibility of benchmarking, and in particular, to consider what benefits would be gained, the resources required vs. resources available, the level of commitment, the computability of partners, and the extent of the common interest. These preliminary phases of the benchmarking process were further discussed during the meeting to address any additional concerns and to help ensure, to the extent possible, common interest group success. In addition, a participant who was involved in both round one common interest groups was asked to share his knowledge with the potential participants. The main points of his talk are highlighted below:

- Identified common interests must be relevant to business objectives
- Individually & organisationally there needs preparedness to benchmark effectively
- Gain organisational commitment up front to resource implications of involvement
- Involve a team at home base; do not pursue it individually.
- Identification of better practice is worthwhile
- Understand the benchmarking process- be credible
- Define the groups objectives, resources and time scales

These were lessons learned the hard way, through a process of action learning, which encouraged review and reflection on current practice and how to improve it. Again, many of the key learning points from round one was re-enforced- preparation, commitment, link to C.S.F.s, setting objectives. These points are revisited later in this dissertation.

Near the end of the induction programme common interest groups were formed. In the end, six groups went forward. Each was assigned a facilitator from the business school to help keep them on track. The extent of the facilitator's involvement was left to each individual group. Unlike round one, no formal benchmarking training was offered to the common interest group members, all training was via 'on the job' coaching by the facilitator. The effectiveness of round two was formally reviewed in September 1996, near the end of the research project. The round two common interest groups were invited to join round one participants to share experiences and to review their experience of the Network and the common interest groups. Before the event, participants were asked to consider a number of questions including:

- What benefits has benchmarking delivered for you so far?
- What contribution has the common interest group process made to the achievement of those benefits?
- What contribution has the Network made?
- What has it cost you to be involved in the common interest group benchmarking process?
- What is the ideal blue print for the CIG process?

- What are the critical success factors for the success of a CIG?
- What are the major problem areas that arise in the CIG process and how can they be overcome?

A summary of the answers to these questions is provided below. They are revisited in detail later in this dissertation.

The benefits delivered by benchmarking ranged from nothing to the discovery of some better practices. Most participants, however, cited a better understanding of the benchmarking process as a minimum benefit of participation, with most agreeing that they got more out of the process than just an education in benchmarking. The use of a common interest group to benchmark was again mixed blessing. Many participants found it a valuable means of initiating and supporting their initial benchmarking efforts. However, many found it a slow, time consuming process that seemed to be rather drawn out as a result of trying to co-ordinate and accommodate all the group members. The tendency was for the group to move at the pace of its slowest man, which caused frustration amongst those wishing to forge ahead. This is, perhaps the best way of capturing the 'cost' of the process. The existence of the Network was viewed as a positive development, which could potentially be a valuable resource for organisations when looking to create groups in future or when looking for a potential best practice contact. Participants also regarded the Network as an important asset for the region, as it encouraged organisations to benchmark and exchange best practice, which could improve regional competitiveness.

Even though round two was quicker and less bureaucratic in the set up and creation of common interest group stages, the outcomes were similar, and the groups were plagued with many of the same difficulties. The lack of preparation to benchmark at both an individual level and organisationally was again a problem. Not only did it slow the common interest group process down, it caused co-ordination problems if the level of preparation was not well balanced across the group. Commitment was again an issue in round two. Not only were many of the organisations unwilling, and/or unable to commit adequate resource to the process, they were unable to maintain their commitment (regardless of the level) for the length of time required to complete the exercise. Once again, many participants found it difficult to agree common objectives and time scales, as well as to generate a common understanding of the process to be benchmarked.

Resp.	Preliminary Phase	Understand Your Own Process	Compare Within the CIG	Compare to Better or Best	Implement Improvements
CIG	**Feasibility Study:** • *Is there a common interest?* • *Are substantial benefits likely?* • *Are the partners compatible?* • *Is commitment sufficient?* • *Are the resources available?* **Planning the CIG Process:** • Objectives • Time scales • Milestones • Resources • Responsibilities • Process issues- team roles, chair, secretary, etc.		• Exchange definitions, maps, and measures • Compare and analyse • Brainstorm • Design a questionnaire & pilot within the CIG	• Use structured questionnaire • Contact • Survey • (Visit) • Analyse	
Individ-uals		• Define the process • Map the process • Measure the processes' outputs • Brainstorm potential improvements			• Analyse the results • Develop plan • Implement

Figure 4.7: Revised Group Benchmarking Process Model

The question remained: Is there a blue print for success, and if so what is it? The short answer is yes. You will need the following ingredients:

> *Ensure the management of the respective companies is committed to benchmarking and the common interest group benchmarking project. Establish a small group of willing, and able participants, balanced in terms of preparation and commitment, which share a true common interest (of equal priority) and agree a common time scale. Choose a manageable business process, preferably one, which the participants' own and understand. Focus the project and limit its scope and time frame. Use a structured, systematic, benchmarking process to avoid industrial tourism. Facilitate the group using effective team building and meeting management techniques.*

Based on this researcher's experience, the collective wisdom of the benchmarking and team management texts, the common interest group could successfully transfer best practice. What is the probability of each of these critical success factors being in place? Probably very low, as it was in this case. This question is addressed in significant detail later in the dissertation.

4.3 Review and Improvement

The intervention strategy included an explicit review and improvement stage, as described above. The project, itself, was also formally reviewed at two junctures. The first formal review came in the form of a transfer document prepared by the researcher during the summer of 1995, and presented internally to a University panel, shortly thereafter. The transfer document reviewed the progress to date of the research and the intervention strategy. In addition to the University panel, members of the Network reviewed the transfer document and the researcher gained valuable feedback. At this time, the researcher made the decision to limit the focus of the dissertation to a single iteration of the group benchmarking process, with some discussion of how the process was improved before the second cycle. Given the duration of the first cycle, and the fact funding would end in January 1997, it appeared unlikely at the time that round two would conclude in sufficient time to make a start on this dissertation before the project formally concluded. The decision was taken by the researcher, based on advice received from members of the University examining panel. It was a decision taken with regret at the time, as the researcher enjoyed the action side of action research far more than the research and reflective side of it. In retrospect, a single iteration of the group benchmarking process yielded more than enough rich case study data to produce a Ph.D. dissertation. A second cycle would have been overkill. The second major review of the project took place as part of the production of this document. The methods used to collect and analyse the data are discussed in detail in the next chapter.

4.4 A Note on the Participants

The participants and the organisations they represented asked to remain confidential. Therefore, all names and companies have been disguised so that anyone outside the Network should have great difficulty figuring out who they were. However, it is highly likely that the participants who were actively involved in this research will recognised themselves and their organisations particularly in the case studies. They may even recognise some of their fellow participants. This is probably inevitable, as well as good. If they did not recognise themselves and their organisations, then it would be reasonable to wonder whether the researcher accurately captured the case studies. That is not to say they will necessarily agree with the conclusions drawn by the researcher, who though a participant, was also an outside observer.

4.6 Chapter Summary

Figures 4.1, 4.2, 4.3 provide a summary of the key stages of the research project and the group benchmarking intervention process that was created as an integral part of it. At a macro level the project went through four stages- idea conception, design and planning, implementation, review and improvement. The group benchmarking intervention strategy was also implemented in four distinct stages- Establishing the inter-organisation benchmarking networking and preparing to benchmark, Benchmarking in common interest groups, Reviewing common interest group effectiveness, and sharing lessons learned. Again, these roughly correspond to Deming's plan, do, check, act cycle. Within each of the stages of the process, the researcher, working closely with participants went through numerous cycles of plan, act, observe, and reflect which resulted in significant changes to the process as originally envisaged, as well as significant learning about benchmarking by the researcher and many of the participants.

In subsequent chapters the effectiveness of the group benchmarking process will be discussed as well as the extent to which the theory of group benchmarking stood up to reality. The Chapter that follows will examine the research strategy used to produce the intervention strategy discussed in this chapter. It includes a discussion of the overall strategy and the use of an action research method. It will also outlines the methods used to collect and analyse the data.

CHAPTER FIVE

The Research Strategy: An Exploratory Case Study of the Design, Implementation, and Refinement of a Common Interest Group Approach to Process Benchmarking, Using an Action Research Method.

The previous chapter described the group benchmarking intervention strategy designed and implemented by the researcher. This Chapter discusses the research strategy employed to answer the study's two primary research questions:

- Was group benchmarking process an effective method of finding best practice?
- What are the key determinants of the effectiveness of the group benchmarking process?

The chapter begins with a general discussion of research strategy and a brief review of the fundamental approaches to research. It then describes the exploratory case study research strategy applied in this study, and discusses why it was used in this project. It then turns to the action research method, which was used to create the group benchmarking process. Next, the data collection techniques of participant observation, in-depth interviewing, and review of documents are discussed. This is followed by a review of the methods used to analyse the data, which was collected over the course of the project. The Chapter then turns to issues of validity and reliability and the use of triangulation, before providing a summary of the methodology used in this study.

The purpose of this chapter is two-fold. First, used in conjunction with the previous chapter, it will enable future researchers to replicate this study if so desired. Second, it will make transparent the methods used in this study, their strengths and weaknesses, and the rationale for choosing them, as well as any difficulties encountered and issues raised in the process of trying to apply them. This will enable the reader to evaluate for him/herself the appropriateness of the methods used and the relative skill with which they were applied in this research programme. It is hoped this chapter will be of some benefit to future researchers when faced with the difficult task of choosing an appropriate research methodology.

In terms of format, each section begins with a general definition and description of the technique or method used. This is followed by a discussion of the relative strengths and

weaknesses of each technique, and the rationale for its use in this context. Ethical issues are also addressed where appropriate. These discussions are driven by the researcher's review of the methodological literature, which began at the outset of the project, and continued as the research programme unfolded.

5.1 Research Strategy

5.1.1 Quantitative versus Qualitative Research Methods

Marshall and Rossman (1995:40) describe research strategy as a road map or overall plan for undertaking a systematic exploration of the phenomenon of interest. It is about organising research activity, including the collection and analysis of data in ways that are mostly likely to achieve the aims of the research (Easterby-Smith et al, 1991:330). Before discussing the exploratory case study research design and the action research method, it is useful to consider several general research issues. Easterby-Smith et al (p.21) argue that the researcher needs to consider the main philosophical positions before embarking on a research programme. This will enable the researcher to:

- Configure the overall piece of research
- Avoid blind alleys and pitfalls
- Adapt the research design to the constraints of the subject and knowledge structures (p.21)

They (p.21-32) discuss two main research paradigms, phenomenological/social constructionist and positivist. These perspectives represent opposite ends of the philosophical scale regarding the role of the researcher, the methods and tools which should be employed, as well as assumptions about the way the world works. Table 5.1 below (taken from Easterby-Smith et al (1991:27) illustrates the key features of each perspective.

Quantitative methods tend to be associated with the positivist perspective, while qualitative methods such as those adopted in this study, tend to be associated with the phenomenological perspective. However, it is not untypical to see a mixture of quantitative and qualitative methods used within a research design (see Abraham, 1997; Glaser and Strauss, 1967; Yin, 1993,1994). As illustrated in Table 5.2 each paradigm has a number of practical strengths and weaknesses, which the researcher should consider when designing the research.

	Positivist Paradigm	Phenomenological Paradigm
Basic Beliefs:	• The world is external and objective • The observer is independent • Science is value-free	• The world is socially constructed and subjective • The observer is part of what is observed • Science is driven by human interests
Researcher Should:	• Focus on facts • Look for causality and fundamental laws • Reduce phenomenon to simplest elements • Formulate hypotheses and then test them	• Focus on meanings • Try to understand what is happening • Look at the totality of the situation • Develop ideas through induction from data
Preferred Methods	• Operationalising concepts so that they can be measured • Taking large samples	• Using multiple methods to establish different views of phenomenon • Small samples investigated in depth or over time.

Table 5.1: A Comparison of Research Paradigms (based on Easterby-Smith et al, 1991)

	Strengths	Weaknesses
Positivist Paradigm-Quantitative Methods	• Provides a wide range of coverage of the range of situations • Can be fast and economical • May be of considerable interest to policy decisions	• Methods tend to be inflexible and artificial • Not very effective in understanding processes or the significance people attach to actions • Not very helpful in generating theories • Can make it difficult for policy makers to infer what changes to make in future because they tend to focus primarily on what is/what has been recently
Phenomenological Paradigm-Qualitative Methods	• Able to look at change processes over time • Able to understand people's meanings • Flexible, can adjust to new issues and ideas as they emerge • Useful for generating theory	• Data collection can be time consuming and resource intensive • Difficult to control studies • May lack credibility in eyes of policy makers

Table 5.2: A comparison of the strengths and weaknesses of qualitative and quantitative methods (based on Easterby-Smith et al, 1991:32-33)

Marshall and Rossman (1995:43) suggested a number of types of research when qualitative methods are most appropriate. These included:

- Research that delves in-depth into complexities and process

- Research on little known phenomenon
- Research that seeks to explore where and why policy and local knowledge and practice are at odds
- Research on informal and unstructured linkages and process in organisations
- Research on real, as opposed to stated organisational goals
- Research which cannot be done experimentally for practical or ethical reasons
- Research for which relevant variables have yet to be identified.

In the light of the strengths set out by Easterby-Smith et al and the suggestions of Marshall and Rossman, this study's choice of a phenomenological research perspective and the use of qualitative methods can be justified for a number of reasons. These are:

- The research set out to explore, in-depth, the complexities and processes of an inter-organisation benchmarking network and small common interest benchmarking groups. Attempts to benchmark and share best practice within Networks and common interest groups had been used as part of regional and national efforts to promote competitiveness. However, little research effort had been directed at understanding the practical problems associated with these approaches, or the conditions under which they could be most effective. The impact of this method of benchmarking had not been adequately addressed in the benchmarking and related literature.
- The relevant variables had yet to be identified, and little theory specifically related to benchmarking networks and common interest groups existed at the time. Thus, an opportunity existed to generate theory through understanding participants' perception of impact and determinants of impact. This would enable the researcher to remedy the theoretical deficit in the area of benchmarking networks and common interest groups.
- The researcher had the opportunity to explore the process as it unfolded over an extended period, from an initial plan through implementation, review, and re-formulation. Methods, which were able to accommodate this time span, were therefore required.
- The researcher needed the flexibility to respond to participants' needs. Participants' time and resources were too valuable to simply participate in an 'experiment' which could not be changed once set in motion. Therefore, the researcher required a methodology, (like action research) which made flexibility and responsiveness a virtue.
- The researcher's own view of the world corresponded more closely to the phenomenological perspective.

Therefore, the research programme adopted a phenomenological perspective and utilised a number of qualitative methods, including action research, participant observation, in-depth interviewing, and grounded theory, to address the research question.

5.1.2 Five Choices

In the light of the two philosophical perspectives, Easterby-Smith et al (1991:33) identify five choices, which the researcher must make at the start of the research programme. They are:

• Researcher is independent	vs.	Researcher is involved
• Large samples	vs.	Small numbers
• Testing theories	vs.	Generating theories
• Experimental design	vs.	Fieldwork methods
• Verification	vs.	Falsification

The researcher addressed each of these issues when designing this research programme. The choices made and the rationales are highlighted below.

- **Researcher Involvement**- This researcher was actively involved in all aspects of the group benchmarking process. He worked with participants to design, implement, and improve the group benchmarking process. His involvement peaked at the beginning of the common interest group process, and he began to play a less active role as the group progressed. His role in the second round of common interest groups was limited. The reasons for involvement were two-fold. Firstly, the researcher was paid to establish the Benchmarking Network and common interest groups. Nobody else was going to do it for him, and it was unlikely to be created spontaneously by participants, under the watchful eye of the researcher. Second, active involvement in the process gave the researcher the opportunity to learn experientially about the process, arguably the best method of gaining insight and understanding. In addition, through his involvement, the researcher developed strong, positive relationships with participants, which afforded him unique access, and encouraged an open and honest dialogue regarding impact and key determinants. This provided excellent material upon which to develop grounded theory.
- **Small Numbers**- The researcher chose to look in-depth, over an extended time, at a relatively small number of organisations rather than a large sample of organisations. He chose a small sample because he was interested in generating a model of the impact of the group benchmarking process and its key determinants, which could be further, tested using quantitative methods such as large-scale surveys. The methods chosen in this study were amenable to generating this model with a small sample. More than adequate data was gathered within the Benchmarking Network to make it possible to develop the model. This eliminated the need to supplement the results with additional surveys. In addition, as discussed in the literature review, large-scale surveys of benchmarking activity had produced rather dubious results, mainly because no clear definition of benchmarking existed at the time. Similarly, no clear definition of common interest group benchmarking existed. Only a small number of Networks, similar in nature to the one described here, existed at the time of this research. As they were commercially run, access to information was restricted making a large-scale survey problematic.
- **Generating Theory**- The purpose of the research was to investigate the effectiveness of the group benchmarking process and the key determinants of effectiveness. No model existed at the time. Little theory development in the area of benchmarking networks and common interest groups existed at the time. Therefore, the decision to generate, rather than test theory, was simple. However, it is useful to note that each cycle of action research provides an opportunity to test theory and understanding which is developed through reflection on the outcomes of previous cycles.
- **Fieldwork Methods**- The research studied real organisations in a real setting. Whilst participants were well aware of the research aspects of the project, they were in no doubt about its aim to improve practice and deliver real benefits. Likewise, the researcher was well aware of their desire to achieve real benefits from participation in the research, not simply contribute to knowledge in the field of benchmarking. An experimental design was simply not an option in this case.
- **Falsification**- Through each cycle of action research, and as part of the generating of grounded theory, the researcher looked for evidence, which would disconfirm his developing understanding of impact and key determinants.

In summary, the rationale for these choices reflects both the researcher's preferences, and the nature of the research. The specific research strategy adopted by the researcher reflect his understanding of the main research perspectives, their strengths and weaknesses, and the key issues which must be addressed at the outset of a research programme. The methodology employed to design and implement the group benchmarking process and used to address the two research questions is discussed.

5.1.3 What is a Case Study?

Yin (1994:12) describes the case study as a 'comprehensive research strategy' and provides a two part, technical definition. Referring to the scope of the study, Yin defines the case study as:

An empirical inquiry that:

Investigates a contemporary phenomenon within its real-life context, especially when

The boundaries between the phenomenon and context are not clearly evident

Yin contrasts the case study method with other research strategies including:

- Experiments- which seek to control the context in order to focus on a few variables of interest
- History- which generally doesn't address contemporary phenomenon
- Surveys- which often attempt to deal with phenomenon and context but struggle to do so effectively

The second part of Yin's definition encompasses data collection and analysis strategies. According to Yin, the case study inquiry:

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result
- Benefits from the prior development of theoretical propositions to guide data collection and analysis

Sanders (1981:46-47)[lxxiv] also identified a number of features of case studies. They:

- Depend on inductive reasoning
- Use a multiplicity of data
- Are descriptive
- Are specific
- Have heuristic value
- Cannot be standardised

Case studies do not fit readily into either of the philosophical camps discussed above, though the emphasis on context, the dependency on induction and the inability to standardise sit easily within the social constructionist paradigm. As Yin (p.14-15) points out, case studies can use both quantitative and qualitative evidence depending on the situation, and may usefully bridge the gap between these two perspectives. In this case, the nature of the data, data collection, and data analysis methods used were qualitative.

5.1.4 Types and Uses

Yin (1993:5; 1994:4) identified three basic types of case studies. These are:

- Exploratory- aimed at defining questions and hypotheses
- Explanatory- presents data related to cause and effect relationships- explaining which causes produced which effects
- Descriptive- provides a complete description of a phenomenon in its context

These types can be further subdivided depending on whether the focus is on a single case or multiple cases within a single study. The nature of the research question will tend to determine the type of case study. For example, 'what' questions tend to imply an exploratory case study, while 'how' and 'why' questions suggest an explanatory study. In this case, 'what' questions were posed, aimed at providing hypotheses or models for further testing in other research contexts.

The case study research strategy has been applied in a number of situations ranging from social science research like political science, sociology, history, psychology, to research in professional fields such as public administration, management science and business administration (Yin, 1994:1; Abraham, 1997:69). In Patton's (1990:54) view case studies:

> *Become particularly useful where one needs to understand some special people, particular problem, or unique situation in great depth, and where one can identify cases rich in information rich in the sense that a great deal can be learned from a few exemplars of the phenomenon in question.*

Yin (1994:4-9) asserts that the researcher should choose a particular research strategy based on three criteria. These are:

- The type of research question posed- i.e. who, what, where, why, how, when, etc.
- The degree of control over the researcher has over actual behaviour and event
- The degree of focus on contemporary, as opposed to historical events

He then argues (1994:9) that the case study research strategy has distinct advantages when:

- 'A 'how' or 'why' question is being asked about a contemporary set of events over which the investigator has little or no control.'

He also notes (p.7) that 'what' questions can provide the basis for an exploratory case study which seeks to generate hypotheses and propositions for further study.

This study was an exploratory case study, which investigated the effectiveness of a group benchmarking process. It asked two questions:

- Was the group benchmarking process an effective method of finding best practice?
- What were the key determinants of the effectiveness of the group benchmarking process?

The study developed a model of the key determinants of the effectiveness of the group benchmarking process. This conceptual model could be of use to practitioners involved in (or considering involvement) similar initiatives. It would also be useful to policy makers concerned with improving competitiveness by encouraging benchmarking and best practice transfer between organisations. It would also provide a wealth of hypotheses, which could be further pursued by future researchers in the field of benchmarking and best practice transfer. The group benchmarking process represented a unique opportunity to study an 'exemplar of the phenomenon (i.e. quality networking) in question'. It was a contemporary event, which was inseparable from its context, and thus best understood in relation to its context. The researcher led the group benchmarking process, and had some control over events, as discussed below. However, because the action research method used was 'collaborative' (see below) the researcher did not have anything approaching complete control, as required in experiments or quasi-experiments. In short, it was an ideal opportunity to use a case study research strategy.

One of the key elements of a case study research strategy is defining the 'unit of analysis (Yin, 1994:21-22; Jorgensen, 1989:19). This involves defining what the 'case' is and delineating the scope of the study. This unit of analysis could include an individual, group, culture, a programme, a process, or the like (Yin, 1994:21-23). This, in turn, depends upon the study's primary research questions. As Yin (1994:24) points out the unit of analysis is likely to be at the level being addressed by the study's main questions.

Using the ideas of Yin and Jorgensen, it is possible to define the units of analysis within this study. They are:

- The group benchmarking process which was designed, implemented and refined using an action research method of planning, acting, observing, reflecting, and evaluating
- The effectiveness of this process on the individuals (and the organisations they represent) who participated in the process and the key determinants of its effectiveness

This case then represents a single exploratory case study of the design, implementation, and refinement of a group benchmarking process. 'Embedded' within this macro-level, case study are a number of sub-units, i.e. the individuals and the organisations, which they represent (see for example Patton, 1990:385). An action research method was used as an integral part of this case study to create the group benchmarking process. Qualitative data collection such as participant observation, in-depth interviewing, and review of documents provided the primary case study evidence. Grounded theory techniques were used to analyse the data and enable the research to address the study's two primary research questions.

5.1.5 Strengths and Weaknesses

In Yin's (1994:3), view, one of the distinctive contributions of the case study as a research strategy is that it allows an investigation to retain the holistic and meaningful characteristics of real life events. This view is echoed by Bell (1993:8) who argued that the case study's greatest strength is that it allows the researcher to concentrate on a specific instance or situation, and to identify, or attempt to identify, the various interactive processes at work. Yin (1989:20) also highlighted its ability to cope with a range of evidence, including interviews, surveys, observations, documents, and artefacts. Stake (1981:32)[lxxv] lists four strengths of case study knowledge. These are:

- More concrete
- More contextual
- More developed by reader interpretations
- Based more on reference populations that are defined by the reader's previous experience

Abraham (1997:68-78) in his review of the case study literature also identified a number of strengths of case studies. These include:

- The opportunity to study rare phenomenon
- Sources of ideas and hypotheses

- Stimulation of theory development and future systematic research
- Exploration of cause and effect relationships in real-life interventions, which are too complicated to be captured using means such as surveys and experiments.
- Real world emphasis
- Flexibility

A number of potential weaknesses of case studies have been identified. Yin (1994:9-11) noted what he called 'traditional prejudices against the case study strategy'. These included:

- Lack of rigour of case study research
- Don't provide a basis for scientific generalisation
- Take too long and result in massive unreadable documents.

As Abraham (1997:72-73) points out, case studies can result in a large number of variables which are too complex to analyse, and can, potentially, be very labour intensive, and time consuming. Bell (1993:9), notes, in addition to the difficulty of generalising from a single event, the danger of focusing on a single 'event'. Yin (1994) and others (e.g. Patton, 1990; Jorgenson, 1989), however, argue that these problems are not insurmountable, and can often be eliminated or reduced with careful research design.

In this research, one of the main strengths of the case study approach was it provided the researcher with the opportunity to study in-depth, and in-context, a unique phenomenon, which was of interest to practitioners and researchers. The group benchmarking process and its impact on participants could not be studied in isolation from its context. The case study was also ideal in this situation, because it supported the development of theory and the stimulation of further research, and allowed the researcher to conduct an exploratory case study. Finally, the real world emphasis and the flexibility of the case study approach made it a particularly suitable strategy into which an action research project, responsive to the needs of participants could be incorporated (see also Abraham, 1997).

The issue of bias and how this was minimised are discussed below. This was an exploratory study, thus the researcher has not attempted to generalise from this single case, or its embedded units. The existence of embedded units, in this case also helped to alleviate some of the difficulties of focusing on a single case, though as Abraham (1997:72-73) argues the use of a single case can be an appropriate strategy when:

- It is critical to testing a well-formulated theory
- It is an extreme or unique case

- It is demonstrably representative of the larger population
- It is a revelatory case, where the researcher is able to observe previously inaccessible phenomenon.

In this instance, the case was considered revelatory. During the literature review, the researcher failed to unearth any research that focused on the effectiveness and key determinants of a group benchmarking (or equivalent quality networking) process. Whilst the phenomenon may not have been technically been inaccessible, the researcher could not locate evidence to suggest it had been effectively accessed. Because the researcher was actively involved in leading the design, implementation and refinement of the group benchmarking process, time was not a critical concern. It did become an issue only in the sense that the researcher's initial intention was to focus on multiple iterations of the group benchmarking process, but because the process was so lengthy, only the first iteration and planning for the second iteration, formed the scope of this study. Finally, access to the site was not an issue in this case study. The researcher 'created' the site with participants. The main difficulty, which could have, arisen, was a problem in recruiting participants to the site. If the researcher had been wholly unsuccessful in creating a benchmarking network and common interest groups, the study would have to have been abandoned or radically re-focused.

5.1.6 Justifying An Exploratory Case Study

As discussed above, a case study can be considered 'exploratory' when it focuses on 'what' questions (1994:4). According to Yin (p.5):

> *This type of question is a justifiable rationale for conducting an exploratory study, the goal being to develop pertinent hypotheses and propositions for further inquiry.*

Hartman and Hedblom (1979:80)[lxxvi] provide a description of an exploratory study:

> *An exploratory study examines new areas of inquiry, including new and previously unintegrated social phenomenon as well as techniques of data collection and measurement. The design should be employed in areas in which theory is lacking or disputed (mixed results) or when concepts, variables, measurement instruments and techniques are poorly defined. The design should not be used when theory, methods, and procedures are well established in an area and available in literature. A discipline develops through building on work already completed.*

Abraham (1997:63) summarised the primary rationale behind using an exploratory research design. These included:

- The subject of the study should be a new area of inquiry
- The subject of the study should be a new and previously unintegrated social phenomenon

- There should be a lack of theory in this area
- Concepts, variables, measuring instruments and techniques should be poorly defined
- The work should build on work already completed in the general area
- The results of the study should lead to the development of hypotheses and propositions for further research in the area
- The study should address 'what' questions

The characteristics of this study can be compared to the characteristics of an exploratory study to justify its use in this case. For example[lxxvii]:

- **New area of inquiry**- Review of the literature uncovered no examples of research which systematically investigated the effectiveness and key determinants of a group benchmarking, or similar quality networking, process. Anecdotal reports suggested they could be effective but provided little evidence to support this supposition.
- **New and previously unintegrated phenomenon**- Interest in benchmarking was just beginning to take off in the U.K. at the time of the study. Whilst benchmarking was a well-known 'buzz' word at the time, evidence uncovered at the time (through literature review and personal experience) indicated it was not a particularly well-understood, nor well practiced concept, outside of a small group of elite early adopters (mainly large, quality mature organisations). Quality networking initiatives, some similar to the group benchmarking process described here, were just beginning to develop. Likewise, government and quasi-government bodies were also just beginning to take notice. Furthermore, for the majority of participants in this study, benchmarking and group benchmarking were altogether new concepts.
- **Theory lacking**- Previous work in benchmarking has focused on 'dyadic' benchmarking between two, often-unrelated organisations, which engage in a one-off exchange of information. Most of the work to date was aimed at the practitioner market, and tended to provide a 'cookbook' or how to guide to benchmarking. If any research methodology was used, it was implicit. In the area of benchmarking networks and common interest groups, the reports were anecdotal. No attempts to determine impact or key determinants were uncovered by the researcher.
- **Concepts, variables, etc. poorly defined**- There was no agreed definition of benchmarking amongst practitioners, though the main authors had converged around a definition which included comparing measures (i.e. what) and practices (i.e. how) across products, services, key performance indicators, and business processes. No instruments to measure the effectiveness (or the relative importance of the determinants of effectiveness) of benchmarking networks and common interest groups were uncovered.
- **Builds on work already completed**- Much practitioner work has been done already in the field of benchmarking. A very small amount has been in the area of benchmarking networks and common interest groups. Insights have been drawn from the field of benchmarking, quality management, best practice transfer, quality networking, group behaviour, transactions cost economics, and strategic partnerships.
- **Development of hypotheses**- This study describes the design, implementation, and refinement of a group benchmarking process using an action research method. The impact of process is evaluated from the perspective of the participating individuals and organisations. A conceptual model of the key determinants of the impact of group benchmarking process is proposed. This conceptual model will provide insights and guidance to the participants, policy makers, and future researchers

- **'What' type questions**- The second research questions asked- What were the key determinants of effectiveness. This question conforms to Yin's definition of a 'what' question which can provide the focus for an exploratory study.

Finally, combining elements of Yin's technical definition of a case study and Sanders features of a case study, it can be illustrated that the research presented here is a case study:

- **Investigates a contemporary phenomenon within its real-life context**- The phenomenon being investigated was the group benchmarking process, which was designed, implemented and refined by the researcher in collaboration with practising managers, representing 20+ organisations in the Northeast of England. The 'site' was the Benchmarking Network and common interest groups, which were created using the action research method.
- **The boundaries between the phenomenon and context are not clearly evident**- The process continuously evolved through multiple cycles of the action research process. Participants learned as they went through the process and were able to apply their developing knowledge to activities within the Network and outside. The impact of the process and the key determinants were inseparable from their context
- **Copes with the technically distinctive situation in which there will be many more variables of interest than data points**- The number of potential determinants of impact was significantly greater than the number of individuals and organisations studied. A single case study design, with a number of embedded units was utilised. The phenomena were studied in-depth over an eighteen-month period.
- **Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion**- Data was gathered using multiple methods, i.e. participant observation, review of documentation, and in-depth interviewing. Preliminary findings were reviewed with other researchers involved in the process, as well as participants. Preliminary findings were validated through multiple cycles of plan, act, observe, reflect, evaluate. Grounded theory techniques were used to analyse the data.
- **Benefits from the prior development of theoretical propositions to guide data collection and analysis**- Research questions were used to guide the collection of data. In addition, on-going data analysis resulting in preliminary theories helped to guide the researcher's data collection and analysis efforts. The researcher was aware of previous research in the area of benchmarking and best practice transfer. This served the practical purpose of informing the design, implementation, and refinement of the group benchmarking process. It did not unduly influence his analytical activities.
- **Depend on inductive reasoning**- The evaluation of the impact and the development of a model of the key determinants of impact was based on the use of grounded theory techniques to analyse the data. The researcher did not try to test hypotheses in the formal sense. Developing understanding was tested through the various cycles of the action research method.
- **Are descriptive**- The study provides a vivid description of the design, implementation, and refinement of a group benchmarking process. It also describes the impact of this process on the key participants and the key determinants of impact which emerged during the study.
- **Are specific**- The study addressed a specific example of a 'quality networking' initiative.
- **Have heuristic value**- The study aimed to help practising managers get started benchmarking and to learn how to do so more effectively.

In summary, this study clearly qualifies as an exploratory case study.

5.1.7 Issues of Validity and Reliability in Case Study Research

According to Yin (1994:32) four tests should be used to establish the quality of case study research. These are:

- **Construct Validity**- establishing correct operational measures for the concepts being studied
- **Internal Validity**-establishing a causal relationship, whereby certain conditions are shown to lead to other conditions as distinguished from spurious relationships (for explanatory or causal studies only- not for descriptive or exploratory studies)
- **External Validity**- establishing the domain in which a study's findings can be generalised
- **Reliability**- demonstrating that the operations of a study- such as the data collection procedures can be repeated with the same results.

The concepts of validity and reliability were originally developed for use in quantitative research, however, as Easterby-Smith et al (1991:40-41) they can be a very useful discipline for the qualitative researcher. Easterby-Smith et al, would describe Yin's definitions of validity and reliability as coming from the positivist perspective. They suggest (p.41) a different interpretation of these concepts in qualitative research. Their interpretations are as follows:

- **Validity**- has the researcher gained full access to the knowledge and meanings of informants?
- **Reliability**- Will different researchers make similar observations on different occasions?
- **Generalisability**- How likely is it that ideas and theories generated in one setting will also apply in other settings.

These conceptions of validity and reliability are echoed by Jorgensen (1989:36) who describes validity as the 'extent to which the concept actually reflects everyday life meanings and usage'. He argues (p.36) that this is rarely an issue with participant observation 'because of the preoccupation with defining concepts by what they meant and how they are used by people in everyday life'. Participant observation, in his view, tends to result in highly valid concepts. As with Easterby-Smith et al, Jorgensen believes the issue of validity revolves around gaining full access to participant's meanings. He argues that traditional measures of reliability are not especially important given the nature of participant observation, and qualitative methods. Instead, the research should be concerned with 'dependable' and 'trustworthy' findings, as suggested by Easterby-Smith et al, above.

Patton (1990) also discusses validity and reliability in qualitative research. He asserts (p.14) that validity in qualitative methods hinges to a large measure on the skill, competence, and rigour of the person doing fieldwork. As Jorgensen (p.11) points out:

> *Systematic and rigorous observation involves far more than just being present and looking around. Skilful interviewing involves much more than just asking questions. Content analysis requires much more than just reading to see what's there. Generating useful and credible qualitative findings through observation, interviewing, and content analysis requires discipline, knowledge, training, practice, creativity, and hard work.*

Finally, Lincoln and Guba (1985) also reject traditional positivist notions of validity and reliability. They[lxxviii] argue, instead, that research must respond to the following questions:

- How credible are the particular findings?
- How transferable and applicable are the findings to another setting or group?
- How can we be reasonably certain the finding would be replicated?
- How can we be sure the findings are reflective of the subject and the inquiry rather than a creation of the researcher's biases?

5.1.8 How To Address Issues of Validity and Reliability in Case Studies

Recognising that case studies can bridge the gap between the qualitative and quantitative research, the researcher will address questions of validity and reliability from several angles. First, Yin's suggestions for improving validity and reliability will be discussed, and the researcher will illustrate how these issues, where appropriate, were addressed in this study. He will then examine the issue from the qualitative perspective, firstly from the perspective of action research. The researcher will then review this study in the light of the framework proposed by Marshall and Rossman (1995:146-148) to judge the value and 'trustworthiness' of qualitative research.

Table 5.3 illustrates Yin's four tests of validity and reliability, his proposed tactics for dealing with each issue and during which phase the researcher should deploy the tactics. To meet the test of construct validity, Yin (1994:34) argues that the researcher must meet two tests. These are:

- Select the specific types of changes that are to be studied in relation to the original objectives of the study
- Demonstrate that the selected measures of these changes do indeed reflect the specific types of change that have been selected.

Tests	Case Study Tactic	Phase of Research in Which Tactic Occurs
Construct Validity	• Use multiple sources of evidence • Establish a chain of evidence • Have key informants review draft case study reports	• Data collection • Data collection • Data collection
Internal Validity	• Do pattern matching • Do explanation building • Do time series analysis	• Data analysis • Data analysis • Data analysis
External Validity	• Use replication logic in multiple case studies	• Research design
Reliability	• Use case study protocol • Develop case study data base	• Data collection • Data Collection

Table 5.3: Validity and Reliability in Case Studies (reproduced from Figure 2.3: Case Study Tactics for Four Design Tests in Yin (1994:33)

In this study, the changes to be measured were the effectiveness of the group benchmarking process on participants and the key determinants of effectiveness. These clearly reflect the study's original research questions. The researcher did not specify beforehand precisely what the effectiveness should be. Instead, in-depth, semi-structured interviews with participants were used to establish impact and the key determinants of impact. Multiple methods of data collection (i.e. documentary evidence, participant observation, and in-depth interviews) were used to achieve data triangulation. (See Table 5.4 for a summary of the types of triangulation.) Several colleagues who not only advised on research issues, but also were also closely involved in the group benchmarking process assisted the researcher during the research process. This provided an opportunity for 'investigator' triangulation. In addition, the participants, were to some extent co-researchers (see also the following section), as they were encouraged to go through multiple cycles of the action research process, central to which is reflection and evaluation. The researcher also attempted to apply various theoretical perspectives to the data set, particularly during the closing stages of the process of developing grounded theory

Type	Description
Data Triangulation	Of data sources
Investigator Triangulation	Among different evaluators
Theory Triangulation	Of perspectives on the same data set
Methodological Triangulation	Of methods

Table 5.4: Types of Triangulation (Based on Patton, 1990:187; Yin, 1994:94)

Participants, external parties, and the members of the researcher's supervisory team further enhanced construct validity through formal and informal reviews of drafts of the case studies. These reviews were discussed in detail in the previous chapter. In addition, the researcher maintained a chain of evidence, which should enable a reader to follow the evidence from the initial research questions through to the final conclusions (Yin, 1994:98-99).

Internal validity was not an issue in this case study. As Yin (1994:35) points out, 'internal validity is a concern only for causal (or explanatory) case studies, in which an investigator is trying to determine whether event x led to event y. It is not an issue in descriptive or exploratory studies, as the one presented here.

External validity relates to the problem of 'knowing whether a study's findings are generalisable beyond the immediate case study' (Yin, 1994:35). Yin admits that this a crucial issue in case studies and draws the distinction between 'statistical generalisation', which is appropriate only to survey research, and 'analytical generalisation', which is appropriate to case study research. By analytical generalisation, Yin means the ability to generalise a particular set of results to some broader theory. This issue can be addressed through a 'replication logic' (Yin, 1994:36), i.e. to reproduce the study in different settings. In this case study, generalisability was a limitation. The findings of this study are limited to the particular situation described in this report. Embedded units were used to examine the impact. That is, the impact of the group benchmarking process was examined across a number of participants, and organisations, which they represented. However, only one group benchmarking process was studied. As McTaggart (1997:186) points out in relation to participatory action research:

> *A typical way of reporting participatory action research is in the form of a 'case study' (Stake, 1978)...such reporting is not always explicit about knowledge claims, but rather creates a narrative from which others might make 'naturalistic generalisations'; extrapolations of the study's relevance to the reader's own context, mediated by the readers own experience and tacit knowledge.*

In other words, whilst it may be inappropriate for the researcher to generalise, an informed reader may draw their own conclusion regarding the applicability of the case study to their own or other contexts.

The final test is reliability. That is, *if a later investigator followed the same procedures as described by an earlier investigator and conducted the same case study all over again; the later investigator should arrive at the same findings and conclusions* (Yin, 1994:36). The aim of reliability is to minimise errors and biases (Yin, p.36). Yin (p.36) suggests the researcher utilise both a case study protocol and create a case study database. In this case, the researcher established a case study protocol, which described an overview of the study, the role of the researcher in the field, the research questions, a complete description of the intervention strategy (see previous chapter) and the methods of data collection. In short, the researcher has sought to make his methods transparent to enable another researcher to easily retrace his steps.

5.1.9 Ensuring Value and Trustworthiness in Qualitative Research

Finally, Marshall and Rossman (1995:146:148) identify a set of criteria by which the 'value' and 'trustworthiness' of exploratory, qualitative research can be judged. These criteria are captured in Table 5.5. The table also illustrates what specific measures the researcher took to address each (appropriate) criterion. Their framework reflects the notions of Easterby-Smith et al, Patton, Jorgensen, Guba and Lincoln, and other qualitative researchers. Essentially, these are ways for the researcher to ensure that their study is trustworthy and valuable. They also provide a means for an outside observer to make a judgement about the quality of a piece of research.

This researcher invites the reader to use Marshall and Rossman's criteria to make their own judgement of the quality of this research. After reviewing the table, the researcher believes that the reader will conclude that everything has been done to ensure that this study would be considered both trustworthy and valid.

5.2 The Action Research Method

This section provides a brief overview of action research and how it was applied in this case study. It is not intended to be a comprehensive review of the action research literature. It merely provides an explanation of the method, its application, and a rationale for its use in this context. The reader is directed to the work of Abraham (1997) for a comprehensive review of the action research literature, and a thorough discussion of how the method can be used in the context of an exploratory case study. This researcher found Abraham's work invaluable in describing and understanding his own study, as it helped to cut through the 'methodological maze' around action research, case studies and the like.

• Criteria	• How it Was Addressed in This Study
• ***The method is explicated in detail so the reader can judge its adequacy and make sense***	• As above- Blow by blow account of design implementation, and refinement of the intervention strategy, researcher's activities, and outcomes. All project documentation maintained with much of it appended to this report. All interviews taped. Partial transcriptions made and appended to this report. Much fieldwork notes and early models preserved.
• ***Assumptions are stated, and biases expressed.***	• Purpose of project, intended outcomes, research questions, etc. made clear at outset
• ***The researcher guards against value judgements in data collection.***	• Use of triangulation, review by critical friends, in-depth interviews
• ***There is abundant evidence from the raw data to demonstrate the connection between the presented findings and the real world. The data is presented in a readable and accessible form***	• Use of project protocol, establishment of an audit trail, maintained a chain of evidence (Yin, 1994)
• ***The research questions are stated. The study answers the questions and generates further areas of inquiry.***	• Questions clearly stated. In-depth interviews and participant observation focused around the questions. Areas for further study proposed.
• ***The relationship between the study and other studies is explicit. Definitions of phenomena are provided. It is clear the research goes beyond previously established frameworks***	• Literature review illustrates current level of knowledge and the clear gap in area of benchmarking networks and common interest groups, which this study helps to remedy.
• ***The study is reported in a manner that is accessible to other researchers, practitioners, and policy-makers.***	• Preliminary report issued and reviewed. Presentation of findings to EUROMA conference. Dissertation publicly available. Clear recommendations for practitioners and policy makers made. Text includes numerous quotes from participants- much of the 'story' is told in their words
• ***Evidence is presented that the researcher tolerated ambiguity and searched out alternative explanations, and triangulated the data.***	• Researcher was flexible in his methods. Responded to the needs of participants in designing, implementing and refining the group benchmarking process. Whilst intended impact was made explicit, did not allow this to colour understanding of actual impact and key determinants
• ***The report acknowledges the limitations of generalisability and assists the reader in understanding its transferability.***	• Researcher makes no explicit claims regarding generalisability beyond this specific case. Significant detail is given about the process and the participants for readers to draw their own informed conclusions about the extent to which the findings can be generalised.
• ***It is clear that there was a phase of 'first days in the field' from which the problem focus was generated from observation, not from library research.***	• The initial project design phase, during which time the researcher interviewed more than 20 potential participants over a 3-4 month period, represents his 'first days in the field'.
• ***Observations are made of a full range of activities.***	• The researcher was actively involved as a participant-observer in all phases of the design, implementation, and refinement of the group benchmarking process. All main participants were formally interviewed. Most on two occasions. All meeting minutes, project documentation and the like were retained and analysed.

(Table Continues on Next Page)

• ***Data are preserved for reanalysis.***	• Almost all relevant data, subject to limits of confidentiality, are available to future researchers for reanalysis. All formal interviews were taped and copies retained.
• ***Methods are devised for checking data quality and for guarding against ethnocentric explanations.***	• Multiple methods were used. Multiple researchers were used to confirm data quality. Participants reviewed preliminary findings. In-depth interviews were also used to 'triangulate' participants' views.
• ***In-field work analysis is documented.***	• All documentation from various network events was retained. Many notes were made by the researcher (and his colleagues) of their fieldwork experiences.
• ***Meaning is elicited from cross-cultural perspectives.***	• Not considered an issue in this case.
• ***The researcher is careful about sensitivity of those being researched.***	• Data in this case study was disguised and every effort has been made to keep participants' identities confidential.
• ***People in the research benefit in some way.***	• The fee for participation in the benchmarking network was nominal. In exchange, the participants received training and facilitation aimed at enabling them to benchmark more effectively. The insights and findings from the research were shared with the group.
• ***Data collection strategies are the most adequate and efficient available.***	• The researcher used qualitative methods which are regarded as particularly appropriate to case studies (Yin, 1994) and action research (Dick, 1997, 1997f, 1999a)
• ***The study is tied to the big picture***	• The research is set in the context of benchmarking, quality networking and best practice transfer, as well as the role it can potentially play in raising regional competitiveness.
• ***The researcher traces the historical context to understand how institutions and roles have evolved.***	• The researcher outlines, in this report, the impetus for the research project (i.e. the Best Practice Club), which helps provide an historical context for the group benchmarking project. He also provides background and context for the individual participants and the organisations they represent.

Table 5.5: Value & Trustworthiness in Exploratory Qualitative Research (based on Marshall and Rossman, 1995:146:148) and How They Were Addressed in This Study.

The term 'action research' is thought to have been coined by Kurt Lewin (1948), an American psychologist. Whilst many (e.g. Kemmis and McTaggart, 1988; Zuber-Skerrit, 1991; Susman and Evered, 1978) trace action research's origins to Lewin (1890-1947), others (e.g. McKernan, 1991:8) have suggested its origins actually lie in the earlier work (1945) of John Collier with American Indians. Still others, such as McTaggart (1992:2) have cited the work J.L. Moreno with Viennese prostitutes as the possibly the earliest use of action research. In addition, the contribution of John Dewey (1929), the American educationalist, to the development of action research is often cited (e.g. Hodgkinson, 1957; Abraham, 1997).

Regardless of the precise origins of action research, Lewin was the first to more fully marry theory and practice (Abraham, 1997:16). The following quote from Lewin (1951:9)[lxxix] illustrates how the two could be brought together:

> *if the theorist does not look toward applied problems with highbrow aversion or with a fear of social problems, and if the applied psychologist realises that there is nothing so practical as a good theory.*

Lewin developed a theory of action research which he described as 'proceeding in a spiral of steps, each of which is composed of planning action, and the evaluation of the result of the action' (Masters, 1995:1; Kemmis and McTaggart, 1990:8). Lewin believed that in order to 'understand and change certain social practices, social scientists have to include practitioners from the real social world in all phases of inquiry' (Masters, 1995:1; McKernan, 1991:9). Two aspects of Lewin's theory become clear. First, it is a spiral of action and analysis, with the analysis of action informing the next steps. Second, it is something researchers do with practitioners, as opposed to something researchers do to practitioners. Abraham (1997:18) provides a summary of the key features of Lewin's early approach to action research. These are:

- Action research should be focused on real problems in the everyday world, as distinct from theoretical problems.
- It involves actually taking action to redress problems.
- This action should be part of spirals of steps comprised of planning, action, and evaluation.
- Professional researchers should collaborate with members of the groups or organisations that are the subject of the research.
- Action research is a scientific process, which, in addition to solving particular problems, can provide insights into the laws, which determine social behaviour.

Abraham (p.18) also adds that Lewin never fully defined action research in any of his writing, and died before ever providing a comprehensive explanation of his method.

More recently Rapoport (1970:89) has contributed a definition which is often quoted in the action research literature:

> *Action research aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable framework.*

Rapoport's definition highlights the dual nature of action research, as well as its collaborative and 'ethical' approach to research.

Hult and Lennung (1980:247) also contribute a definition of action research which expands on these characteristics:

> *Action research simultaneously assists in practical problem-solving and expands scientific knowledge, as well as enhances the competencies of the respective actors, being performed collaboratively in an immediate situation using data feedback in a cyclical process aiming at an increased understanding of a given social situation, primarily applicable for the understanding of change processes in social systems and undertaken within a mutually acceptable ethical framework.*

Dick (1993: 5) provides perhaps the most basic and straightforward definition of action research. He simply described action research as a 'methodology, which has the dual aims of action, and research'. It consisted of two elements (p.5):

- **Action**- to bring about changes in some community or organisation or programme
- **Research**- to increase understanding on the part of the researcher or the client, or both (and often some wider community)

Bunning (1995:3) compared action research from its close cousin, action learning, which is also concerned with learning from experience and taking action to improve a situation. The action learning model (see Kolb, 1986:21) is also a cyclical process consisting of:

- Concrete experience
- Observations and reflections
- Formation of abstract concepts and generalisations
- Testing implications of concepts in new situations

Bunning (p.3) highlighted the significant differences between action learning (see also Revans, 1982) and action research. These include:

- Action research places greater emphasis on rigour in data collection and interpretation.
- Action research places more importance upon the generalisation phase because not only does it seek personal generalisation, which will be of use to the individual, it also seeks to develop local theory, which is grounded in the data. This theory is made available in public reports for other professionals to check its validity and generalisability to their own work
- There is a requirement in action research to work collaboratively with others who are part of the context being researched. This is founded on the belief that effective social action cannot be taken unilaterally by the researcher without collaboration and co-operation of the participants.

Reviewing various definitions of action research, Masters (1995:2) concluded that there were four basic themes in most definitions of action research. They are:

- Empowerment of participants
- Collaboration through participation

- Acquisition of knowledge
- Social change

The process by which these themes are addressed is a modification of Lewin's plan, act, evaluate. As suggested by Zuber-Skerrit (1992), the cyclical process consists of four phases. They are:

- Planning
- Acting
- Observing
- Reflecting

Masters (1995:3) also identified what she referred to as the conditions necessary for action research to exist. These are:

- The project takes as its subject matter a social practice, regarding it as a strategic action susceptible to improvement.
- The project proceeds through a spiral or cycle of planning, acting, observing, and reflecting.
- The project involves those responsible for the practice in each of the moments of the activity, widening participation in the project gradually to include others affected by the practice and maintaining collaborative control of the process.

Finally, Abraham (1997) in his comprehensive review of action research examined a number of definitions of action research. He concluded that the 'ideas about what constitutes action research are many and varied'. Nevertheless, he was able to identify a number of common themes. These included:

- Action research is a method in which members of an organisation work collaboratively with a facilitator (i.e. researcher) to address problems that are of concern to the group.
- These problems become the 'thematic concern' (Kemmis and McTaggart, 1988:9) for the action research method.
- The action research method consists of cycles of planning, acting, observing, and reflecting which are repeated to form a spiral.
- Action research has the dual aims of solving practical problems and contributing to scientific knowledge.
- The development of 'self-help competencies' (Susman and Evered, 1978:588) is an important part of the action research method.

In this research, the researcher worked with members of a number of organisations to create an inter-organisation benchmarking network. The problem or thematic concern for the group was simply to benchmark more effectively and efficiently. Efforts were directed towards creating a process, which would enable the group to accomplish this task. The researcher worked with the participants through multiple cycles of plan, act, observe, and

reflect to establish the Benchmarking Network and common interest groups. This cyclical process was not dissimilar to the Deming cycle of plan, do, check, act with the addition of a reflective element to enhance learning and improve practice. The research had the dual aims of improving local practice and contributing to propositional knowledge in the area of benchmarking networks and common interest groups, an area of the benchmarking literature that was lacking in development. Finally, one of the key objectives of the process was to develop the capability of the individual participants and the researcher.

5.2.1 Types of Action Research

Perry and Zuber Skerrit (1992:205) identified three primary types of action research, which are distinguished by their aims, the role of the facilitator and the facilitator's relationship with the participants. These types and their distinguishing features are illustrated in Table 5.6.

Type	Aims	Facilitator's Role	Relationship between Facilitator and Participants
Technical	• effectiveness/efficiency of educational practice • professional development	outside 'expert'	co-option (of practitioners who depend on the facilitator)
Practical	• as (1) above • practitioner's understanding • transformation of their consciousness	Socratic role, encouraging participation and self-reflection	co-operation (process consultancy)
Emancipatory	• as (2) above • participants emancipation from the dictates of tradition, self-deception, coercion • their critique of bureaucratic systematisation • transformation of the organisation and of the educational system	process moderator (responsibility shared equally by participants)	collaboration

Table 5.6: Types of Action Research and Their Main Characteristics (from Perry and Zuber-Skerrit, 1996:205)

Implicit in the classification is a 'hierarchy' of action research, moving from the limited aims of technical action research to the loftier ambitions of emancipatory action research. Some researchers (e.g. Carr and Kemmis, 1986:7) have argued that only emancipatory action research is 'real' action research and is the only type acceptable for a Ph.D. This view is not universally shared by other researchers (e.g. McLennan, 1989; Dick, 1993, Perry and Zuber-Skerrit, 1992). As Zuber-Skerrit (1991:11) has noted, 'it is quite legitimate to start with technical enquiry and progressively develop through practical to emancipatory action research'.

Masters (1995) also provides a useful comparison between the three types of action research which illustrates the different philosophical positions from which each type emanates This comparison is captured in Table 5.7 below.

	Technical Action Research	**Mutual-Collaboration Action Research**	**Participatory Action Research**
Philosophical Base	Natural Sciences	Historical-Hermeneutic	Critical Sciences
Nature of Reality	Single, measurable, fragmentable	Multiple, constructed, holistic	Social, economic. Exists with problems of equity and hegemony
Problem	Defined in advance	Defined in situation	Defined in situation based on values clarification
Relationship between the Knower and the Known	Separate	Inter-related, dialogic	Inter-related, embedded in society
Focus of Collaboration	Technical, validation, refinement, deduction	Mutual understanding, new theory, inductive	Mutual emancipation, validation, refinement, new theory, inductive, deductive
Type of Knowledge Produced	Predictive	Descriptive	Predictive, descriptive
Change Duration	Short lived	Longer lasting, dependent on individuals	Social Change, emancipation
Nature of Understanding	Events explained in terms of real causes and simultaneous effects	Events are understood through active mental work, interactions with external context, transactions between one's mental work and external context.	Events are understood in terms of social and economic hindrances to true equity
Role of Value in Research	Value free	Value bounded	Related to the values of equity
Purpose	Discovery of laws underlying reality	Understand what occurs and the meaning people make of phenomena	Uncover and understand what constrains equity and supports hegemony to free oneself of false consciousness and change practice toward more equity

Table 5.7: Comparison of Types of Action Research (from Masters, 1997:7)

This research was an example of practical or mutual collaboration action research, though it had some characteristics of the emancipatory variety in the sense that it attempted to transform the way individuals and organisations used benchmarking to improve. Primarily though, it was aimed at the practical matter of helping individuals to benchmark more effectively and efficiently using a benchmarking network and common interest groups. The researcher's role was one of process consultant and leader of the action research method used to create the group benchmarking process designed to help them benchmark more

effectively. The researcher also played a Socratic role attempting to ask participants the 'right' questions to encourage them to reflect upon their action and its outcomes. One of the primary vehicles for the Socratic method was the in-depth interviews. In terms of the purpose of the research, the nature of understanding, type of knowledge produced, problem, nature of reality, change duration, etc. this research also aligns closely with the mutual-collaboration/practical action research model.

5.2.2 Levels of Participation

Another important issue relates to the form of participation or collaboration between the researcher and those being researched (Dick, 1997d; Abraham, 1997). Abraham (1997:28-29) provided a summary of the range of opinions on collaboration. He identified the following general types of collaboration:

- Client and researcher contribute equally to all phases of the research.
- Researcher acts as a facilitator initially leading the group, but gradually withdrawing from the dominant role.
- Division of labour between the researcher and client based on expertise and skills.
- Researcher carries out action research but information flows between the client and the researcher.

Dick (1997d) describes participation as a choice to be made by the researcher, and perhaps the participant. He identifies several choices including:

- Who shall participate?
- In what?
- To what extent?
- How much choice do they have in participating?

The answer to these questions will be influenced by the desired outcomes of the research, which are likely to include both action and research. Dick (1997d:2) identifies seven dimensions of participation. These are:

- Providing data- participants are informants
- Interpreting data- participants are interpreters
- Planning change- participants are planners and decision-makers
- Implementation - participants are implementers
- Managing the process of data collection and interpretation- the participants are facilitators
- Designing the overall study- the participants are researchers or co-researchers
- Being kept informed about the study and its implications- the participants are recipients

In this study, participants served as the primary informants. As previously mentioned, and in detail below, the researcher interviewed all the main participants, most on at least two occasions. Selected participants also acted as formal interpreters of draft reports. Participants were also involved as planners and decision-makers during the design, implementation and refinement of the group benchmarking process. The Network steering group discussed in the previous chapter was the primary mechanism for this form of participation. Participants were also effectively implementers. They were the ones who put forward the benchmarking project and who worked together in inter-organisation teams. The researcher only facilitated and observed the process. He did not actually do any benchmarking as part of the common interest groups.

Participants did not play any role in the data collection process, though in the initial design this was actually specified. It was planned to have the participants keep a journal or critical incident diary. This idea was scrapped for two reasons. First, the diary was perceived to create additional paperwork, which was already emerging as an issue in the group benchmarking process. Second, the researcher believed that participant observation, in-depth interviews, and review of documentary evidence were more than enough data to analyse and address the primary research questions. Any more was deemed over-kill and a danger to overwhelming the researcher. Participants were not involved as co-researchers. Most seemed to be far more interested in getting a 'result' from the project than being involved in any of its research aspects. They were quite happy to participate and co-operate with the researcher but very few seemed particularly interested in the research design or other aspects of the research. If the researcher had been more experienced, he may have been able to generate that interest and introduce participants to the research process, as well as the benchmarking process. Finally, participants were kept informed about the research process and had an opportunity to review preliminary drafts of this dissertation. In addition, the steering group of the Network were provided with regular updates of progress and findings.

5.2.3 Methods and Characteristics of the Action Research Method

Dick (1993:13-30) describes four 'standard' action research methods. Each is based around a cyclical (or spiral) procedure. These are:

- Participatory Action Research
- Action Science
- Soft Systems Methodology
- Evaluation

Participatory action research (see Carr and Kemmis, 1986) has been described above in some detail. The cycle they suggest consists of four steps: plan, act, observe, reflect. This form of action research stresses emancipation and views action research as something participants do, rather than have done to them by a researcher (Dick, 1993:20) (see also above). Dick describes participatory action research as a generic methodology that is a good choice in ambiguous situations. Action science was developed by Argyris and Schon (1978) and reflects their concept of espoused theory versus theory in use. Dick (1993:22) describes action science as a good choice when there are intra and interpersonal dynamics, and especially if hidden agendas are at play. Soft systems methodology was developed by Peter Checkland as a non-quantitative approach to systems diagnosis and intervention (Dick, 1993:23). Dick (p.26) suggests that soft systems methodology lends itself well to the analysis of decision making systems. The final action research methodology identified by Dick is evaluation. He notes the work of Patton (1990) and Guba and Lincoln (1989) as two of the main exponents of this methodology. Dick (p. 27) also describes the 'Snyder Model', which has 'inputs (known as resources), transformations (activities) and three levels of outputs: immediate effects, targets, and ideals. He argues that the process allows the researcher and participant to understand how resources are transformed into immediate outcomes, targets, and ideals, and to use this understanding to improve the system.

Abraham (1997) identifies twelve characteristics of the action research method. These characteristics are not necessarily present in all action research, but have been mentioned consistently in the literature as features of action research. These characteristics are illustrated in Table 5.8. The table also highlights whether these characteristics were present in this study. Dick (1993:p.13-14) stresses that whatever method is chosen, the researcher should keep in mind two guidelines. These are:

- Use a cyclical or spiral procedure. Use later cycle to challenge the information and interpretation from earlier cycles. Both the data collected and the literature are part of this iterative process of constantly challenging interpretations. This leads to refinement of understanding.
- Always work with multiple information sources, preferably independent or partly independent. He calls this a dialectic and compares it to triangulation (as discussed above).

Characteristic	How was it Present in This Study
1.**Problem focus** - the research is aimed at solving a practical problem as well as discovering general laws	Group benchmarking process tried to develop a more effective and efficient benchmarking process.
2.**Action orientation** - the focus was on more than just diagnosing problems	Action research method was used to design, implement, and refine a group benchmarking process.
3.**Cyclical process**- Spiral of steps- plan, act, observe, reflect or a variation on this theme	Researcher used a plan, act, observe, reflect action research method.
4.**Collaborative** - participants are involved in the research process in most cases, the degree to which depends on the situation and the orientation of the researcher	Participants were actively involved in designing, implementing, and refining the group benchmarking process. They served as informants, interpreters, planners, implementers, and recipients of the research. They were not involved in research design or data collection.
5.**Ethical Basis**- improvement of work, community, equality, etc. is recurring themes in action research.	Confidentiality maintained for participants as informants.
6.**Experimental**- can be used to test hypotheses but care must be taken	Not a feature of this exploratory case study.
7.**Scientific**- has a scientific basis, can be a viable alternative to positivist science if appropriate attention is paid to validity and rigour	Significant attention paid to validity and rigour in data collection and analysis. Multiple sources of evidence and researchers, validation with participants, grounded theory approach to data analysis.
8.**Re-educative**- it contributes to the change in the knowledge base of the client organisation, the individual participants, and the researcher	Specific aim to improve participant and his organisation, as well as skills and capabilities of the researcher.
9.**Emancipatory**- attempts to improve the life/work life of participants, can lead to wider social change and reform	Not a key feature in this case.
10.**Naturalistic**- it explores relationships in real life contexts by detailed description and direct involvement with participants	Researcher served as participant observer. Data analysed using naturalistic methods.
11.**Normative**- it can attempt to change the social norms of a group	Project aimed to use inter-organisation teamwork to enhance transfer of best practices.
12.**Group dynamic**- success of action research can depend upon how well a group acts as a team	One of key determinants of the impact of the group benchmarking process was the dynamics of the common interest group.

Table 5.8: Characteristics of the Action Research Method (from Abraham, 1997) and How They Were Present in This Study

As described later, the researcher used Kemmis and Carr's process of plan, act, observe, and reflect as the basis for his action research method. Whilst his approach did not stress the emancipatory elements of action research it did adhere to Dick's advice cited above.

We can talk of the systematic methods of experimental, positivist, reductionistic, deterministic natural science. We can refer to the methods of post-positivist, empirical, constructivist, interpretative social science.

Perry and Zuber-Skerrit (1992:198-199) also contrast action research with traditional research methods. They identify the following differences:

In traditional research, the researcher is separated from the system being researched by a 'hard' boundary and the system is reduced to one or only a few parts, with the rest of the system assumed to be held constant. Action research involves social systems of which the researcher is unavoidably a part. These are 'soft' systems without clearly defined boundaries between the researcher and the system.

They concluded (p.199):

Thus, traditional research is appropriate for clearly defined hard systems, while action research is appropriate for the soft systems of management practice.

They also argue (p.195)[lxxxi] that much traditional management research is of 'dubious relevance to managers', and has little impact (direct or indirect) on managerial practice. They propose that action research can address this problem of relevance and impact, because it emphasises both action and research

Abraham (1997:33) notes that while Lewin regarded action research as a scientific process, this notion has been hotly debated within the scientific community. Abraham (p.33) cites Hodgkinson's (1957) critique of action research in which he argued that action research didn't meet the criteria of the scientific approach for the following reasons:

- the scientific method goes beyond the solution of practical problems
- the scientific method of solution of problems involves controlled experimentation
- the scientific method looks for broader generalisations
- scientific experimentation is set against a body of generalisations

Abraham (1997:34) points out that Hodgkinson's view is also hotly disputed by a number of writers, including Argyris et al (1985), who believed that action research had a sound scientific base. Abraham (p.36) summarised Argyris' comparison of action science (his version of action research) and normal science. This comparison is depicted in Table 5.9 below.

	Normal Science	Action Science
Primary Purpose	-To produce knowledge to enable prediction or explanation of phenomenon -Describes the universe as it is	-To produce knowledge that can be implemented -Creates alternative universe
When using humans as subjects	-Tries to maintain objectivity by distancing researcher from subjects and controlling conditions	-Becomes a participant in subjects world
Precision	-High degree	-Low degree
	Similarities between action science and normal science • Both highly value public disconfirmability. • Both assume an underlying order in the universe. • Both rely on the relationship between cause and effect. In both the theory that contains the minimum number of concepts and untested assumptions is preferred (i.e. elegance)	

Table 5.9: Argyris' Comparison of Normal Science and Action Science (from Abraham, 1997:36)

Dick and Swepson (1994:2) also compare action research to science. He identifies the following similarities between action research and science:

- Both share a pursuit of understanding
- Both value scepticism and empiricism
- In pursuing knowledge both strive vigorously to disconfirm present views and use evidence to do so

They also identify a number of key differences including the following:

- Action research does not usually provide causal explanations of what is studied.
- Action research usually does not tend to answer questions which are as precise as those addressed by experimental research.
- Action research tends to use qualitative data.
- The action researcher does not make the same effort to distance him/herself from what he/she is researching.
- The action research process is not standardised but can be modified in response to changing circumstances.
- Action research does not necessarily seek explanations at a more specific level than the phenomenon being studied- i.e. it does not tend to be reductionist.
- Action research is often regarded as being difficult to generalise, and tends to give answers which are specific to a particular situation.

Dick and Swepson and Dick (1993:7-8) also identify what they believe are some of the key advantages of action research. These include:

- Action research can provide answers to fuzzy and general questions. Thus, the researcher can get started without fully specifying the research question(s) and can use the methodology to help bring clarity.

- It can provide explanations that are more 'realistic'. In some ways this is akin to the grounded theory concept of a theory which 'works' and 'fits' (see below)
- It can complement traditional methods.
- It allows systematic understanding to arise from activities, which are oriented towards change.
- It lends itself to use in work or community settings and can be used by agents of change as part of their normal activities.
- It has the capacity to respond to the demands of participants and changing circumstances in a way most research paradigms cannot.

Abraham (1997:37) concluded that the action research had a scientific basis and could provide an alternative to a positivistic approach to science. Therefore, he argued that action research be undertaken and reported in a manner which would defend it against lack of scientific rigour. One alternative, as Easterby-Smith et al (1991:34) pointed out, is to conduct action research in a 'positivist' manner, though they argue strongly that this is a difficult proposition, given that action research is derived from ideas, which are alien to positivism. They assert that action research will always be found wanting if compared to the criteria of positivist science, though is easily justifiable from the viewpoint of philosophies like phenomenology. Like Abraham, Eden and Huxham (1996:76) believe that action research can be good science. They state:

> *Good action research will be good science, though not in a way which depends necessarily on meeting all the tenets of traditional scientific method.*

They propose a number of standards which action research must meet in order to be considered good science. Later in this section these standards are reviewed and compared to this study.

Finally, as Dick (1997) notes:

> *When flexibility and participation are required and the situation is complex, any research methodology faces serious threats to validity. Action research better meets those threats in these circumstances than conventional methods.'*

In other words, the methodology should match the circumstances. In management research, as Perry and Zuber-Skerrit (1996) strongly argue, the circumstances can often warrant the use of action research, as they did in this case. Perhaps, the most attractive characteristic about action research to this researcher is its inherent responsiveness and rigour. It seems to reflect the practical realities and complexities of organisational research such as that presented in this dissertation.

When arguing for the legitimacy of action research, it is worth remembering the words of Dick (1997:3):

> *The scientific method was not developed using the scientific method. It was a bootstrap operation. It evolved.*

A bootstrap operation is probably a fair description of the research presented in this dissertation.

5.2.5 Rigour and Validity in Action Research- What Does 'Good' Look Like?

The issues of validity and reliability can be addressed from the perspective of action research. For example, Dick (1999:2) identifies two levels of rigour, i.e. trustworthiness and credibility, in action research. The first level is that of the participant in the action research. The second level is the wider audience to which the case study of the action research is reported. At level one, Dick (p.2) argues that trustworthiness and credibility do not tend to be an issue, because in most action research, participants are actively involved in the research. Thus the theory and models which are produced tend to be credible, trustworthy, and perhaps most importantly, useful in predicting the effect of their actions. At level two, Dick (p.2) asserts that rigour can be achieved using similar methods to those discussed about case studies and qualitative research (see also previous, and following sections). These include:

- multiple methodologies
- multiple sources of information
- multiple process for data collection and analysis
- comparing data and interpretations to other sources, including the literature

How these methods were applied in this case have been described above, and are revisited throughout the data collection and analysis sections below. Dick (p.2) also argues that specific features of the action research method, namely its cyclic nature and its action-orientation, also provide additional sources of rigour and trustworthiness. He explains (p.2):

> *Data collection and interpretation tend to co-occur; later cycles can therefore test both data and interpretations from earlier cycles. Most cycles contain action, each action a test of the assumptions, which underlie it. Attention to these tactics can strengthen the rigour of the research.*

In Dick's (p.4) view, rigour stems directly from the key characteristics of action research, which are participative, qualitative, action-oriented, and responsive. Essentially, rigour is

inherent in action research. He explains (p.8-10):

- **Participative**- Participation can mean more informants and therefore richer data. Involving participants as interpreters and co-researchers allows the assumptions of the researcher to be challenged.
- **Qualitative**- Qualitative data is to be found in conversation, in dialogue. If the appropriate climate can be developed, in the dialectic of conversation deeper understanding can emerge.
- **Action-Oriented**- Because action research is an action oriented approach, plans are tested immediately in action and assumptions can be tested. It is in this sense that it has been said that, if you want to understand a system, try to change it. Action and research can inform each other.
- **Responsive**- Above all action research is emergent. As understanding grows, so action becomes better informed, and so does the methodology, which is being used.

In this case, participants were actively involved in the design, implementation, and refinement of the process. Relationships were developed with participants who enabled the researcher to gain access to their real thoughts and feelings about the impact of the process and the key determinants. In-depth interviews were used as an opportunity for participants to reflect on the process and draw meaning from their experience. At a number of points during the research programme, formal opportunities were available for feedback and to discuss the process, outcomes, and determinants. Initial drafts of this report were made available to several of the participants. Preliminary findings were reviewed with participants and were presented to external audiences. Multiple cycles of action research were used to create the group benchmarking process. As a result, there were a number of opportunities to test emerging theory and understanding by trying it out in practice. The researcher was able to respond to the practical demands of participants by revising and refining the process. He was also able to respond to emerging themes through the in-depth interviews. That is, he could test a theme from one interview in subsequent interviews, always looking for evidence which might disconfirm the emerging theme.

McTaggart (1997:187) also suggests a variety of methods that can be used to assess the validity of action research. These are highlighted below in Table 5.10 along with how the methods were applied in this study. McTaggart summarises validation in much the same way as Dick (1999) above. According to McTaggart (p.187):

> *This is typically an extended process of iteration between the data, the literature that informs the study (substantively and methodologically), participants in the study, and 'critical friends' with an interest in the study. That is, validation is an explicit process of dialogue; it is not achieved by adherence to a fixed procedure.*

Method	How Applied in This Study
• ***Triangulation of observations and interpretations***	• Multiple methods of data collection, multiple researchers, Search for disconfirming evidence through a.r. cycles, Use of grounded theory techniques
• ***Establishing credibility among participants and informants***	• Regular review of process and key events, Prior education and experience, Subject matter expertise, Facilitation skills, Professional approach, Provide value for money
• ***Participant confirmation***	• Use of steering group to review preliminary findings, Feedback as part of each event, Group review of process, In-depth interviews, Review of interim reports
• ***Deliberate establishment of an audit trail of data and interpretations***	• Blow by blow account of design implementation, and refinement of the intervention strategy, researcher's activities, and outcomes. All project documentation maintained with much of it appended to this report. All interviews taped. Partial transcriptions made and appended to this report. Much field work notes and early models preserved.
• ***Testing the coherence of arguments being presented in a 'critical community'***	• Initial project plan presented to internal research panel. Preliminary findings presented to internal panel. Presentations made to external 'critical communities'. Regular review of progress by members of supervisory committee.

Table 5.10: Achieving Validity in Action Research (from McTaggart, 1997:187) and How it was Achieved in This Study

Finally, Eden and Huxham (1996) have set out twelve standards to which action research must aspire to be considered good quality research. They divide their standards into two sections. The first is labelled 'characteristics of action research outcomes'. The second is called 'characteristics of action research processes'. Table 5.11 illustrates Eden and Huxham's contentions and how this research has met their standards. Based on a review of Table 5.10, this researcher believes that this study has adequately addressed Eden and Huxham's standards. Therefore, he would conclude, the case study presented here of the design, implementation, and refinement of a group benchmarking process, constitutes good action research.

5.2.6 How Was the Action Research Method Used in This Study

Figure 1.2 (see Chapter 1) provides a high level overview of the research process. The researcher constructed this overview based on the models proposed by Perry and Zuber Skerrit, 1996:203-204). Figure 1.2 (see Chapter 1) and Figure 5.1 below illustrate the distinction between the group benchmarking process (i.e. the core action research project) and the thesis action research project, which examined the outcomes of the core action research project. Essentially, the core action research project was written up as a case study for the thesis research project. As Figure 5.1 illustrates, both the thesis action research project and the core action research project used a spiral process of plan, act, observe, reflect.

Contention	How it was Addressed in This Study
1.Action research must have implications beyond those required for action or generation of knowledge in the domain of the project.	The study has implications for any type of inter-organisation networking activities particularly those involving small groups.
2.As well as being useable in everyday life, action research demands an explicit concern with theory. This theory will be formed from the characterisation or conceptualisation of the particular experience in ways, which are intended to be meaningful to others.	Research was an explicit aim of the project. This was made clear to all participants at the outset. The focus of the research and the intended methods were also clear. Whilst action was foremost in most participants' minds, they were clear that research was the researcher's highest priorities.
3.If the generality drawn out of action research is to be expressed through the design of tools, techniques, models, and method, then this, alone, is not enough- the basis for their design must be explicit and shown to be related to the theory.	A model of the impact of the group benchmarking process and the key determinants is a key output of this research (i.e. answer to research question no. 2). The basis for their design (and the method of analysis) is made clear in this dissertation
4.Action research will generate emergent theory, in which the theory develops from synthesis of that which emerges from the data and that which emerges from the use in practice of the body of theory, which informed the intervention and research intent.	The model of impact was generated using grounded theory techniques. It is clearly informed by the benchmarking, best practice, quality networking, quality management, strategic networks, group behaviour literature, which informed the group benchmarking intervention strategy.
5.Theory building as a result of action research will be incremental, moving from the particular to the general in small steps.	The project used grounded theory techniques to work incrementally through the data to develop theory. The multiple cycle of action research can also be viewed as moving from the particular to the general in small steps.
6.What is important for action research is not a (false) dichotomy between prescription and description, but a recognition that description will be prescription(even if implicitly so) Thus the presenters of action research should be clear about what they expect the consumer to take from it and present with a form and style appropriate to this aim.	The practical implications of this study are made clear at the end of this dissertation. The warts and all description of the group benchmarking process, the role of the researcher/network broker, and the participants should also give clear guidance to readers interested in establishing similar initiatives.
7.A high degree of method and orderliness is required in reflecting about, and holding on to, the emerging research content of each episode of involvement in the organisation.	A clear description of the research process- strategy and methods, is detailed in this Chapter. The researcher has made every effort to apply the same advice to himself as he gave to participants- structured and systematic.
8.For action research, the process of exploration (rather than collection) of the data, in the detecting of emergent theories must be either replicable, or demonstrable through argument or analysis	Methodology for data collection and analysis is clearly laid out in this Chapter. Most data available for re-analysis if required.
9.Adhering to the previous eight contentions is a necessary but not sufficient condition for the validity of action research.	See 1-8 above.

(Table Continues on Next Page)

10.In order to justify the use of action research rather than other approaches, the reflection and data collection processes- and hence emergent theories- should be focused on the aspects that cannot be captured easily by other approaches. This, in turn, suggests that having knowledge about, and skills to apply, method, and analysis procedures for collecting and exploring rich data is essential.	Data collection process includes participant observation and in-depth interviewing offers the unique opportunity to discover what impact a group benchmarking process actually has, and to understand what factors determine the impact. Qualitative methods enable the researcher to understand the motivation of participants, the meanings they draw from their experience, their rationale for participating, their frustrations with the process. The researcher received training in qualitative methods to enable him to effectively process the data.
11.In action research, the opportunities for triangulation that do not offer themselves with other methods should be fully exploited and reported but used as a dialectical device which powerfully facilitates the incremental development of theory	A dialectic was achieved by comparing through cycles and testing emerging understanding. Dialectic was achieved by comparing emerging themes from one interview to the next. Changes in attitude through time could also be examined. In addition, multiple methods of data collection and multiple researchers were used as triangulation mechanisms.
12.The history and context for the intervention must be taken as critical to the interpretation of the likely range of validity and applicability of the results.	The history of individuals and the organisations they represent is described in this dissertation. Their prior experience and preparation emerged as a key determinant of the impact of the group benchmarking process. In addition, the background to the project, including the impetus provided by Best Practice Club to get this project off the ground is explored.

Table 5.11: Eden and Huxham (1996) Twelve Standards for Good Action Research and How This Study Met Their Standards.

The dissertation action research project began with a review of the literature in the area of quality management, benchmarking, benchmarking networks, and qualitative research methodology. This helped to prepare the researcher for entry into the field by giving him a basic understanding of benchmarking and related areas. It also gave him an opportunity to clarify the research problem, develop appropriate research questions and begin to develop the methodology. The initial research plan was written up in a short document (RDC-02), which was reviewed by an internal (i.e. Business School) panel. At the same time, the researcher began to plan the core action research project. This involved interviewing potential participants to gain a better understanding of their expectations for the Benchmarking process. The interviews were also about establishing a relationship between the researcher and the researched and gauging their interest in the project. The planning phase of the dissertation research project took about five months. It concluded with the submission of the formal research plan (RDC-02) and the development of a preliminary plan for the core action research. The core action research project plan included both proposals for how the group benchmarking process might unfold, and what data collection methods and other research procedures were planned.

The core action research project involved designing, implementing and refining the group benchmarking process using multiple cycles of plan, act, observe, reflect. The cycles of action research used during the core action research project are depicted in Figure 5.2 below. As Figure 5.2 illustrates the core action research project progressed through 6 cycles of the action research method over a period of nearly eighteen months. The number of cycles and duration of the process exceed the Perry and Zuber-Skerrit's (1992) suggestion of 2-3 cycles over a one year period for a Ph.D. A key part of the core action research project was data gathering by the researcher in the form of participant observation, review of documentary evidence, and in-depth interviews. The researcher's role in the core action research project concluded shortly after the first iteration of the group benchmarking process was complete. During the first iteration of the process, a Network had been established and a number of participants had completed a benchmarking exercise within a common interest group. The process had been reviewed. A refined process had been launched with a number of new participants joining the remaining participants from round one. New participants were orientated into the established Network, and the process of matching benchmarking interests and initiating new common interest groups commenced. The orientation, matching of common interests, and the management of the common interest groups were all informed by the experience and learning gained from iteration one. This researcher's role in the core action research project concluded with the launch of the refined group benchmarking process. Nearly two years had elapsed since he arrived in Newcastle to begin work.

As illustrated in Figure 5.1, the next step in the dissertation action research project was observation. This involved describing the research process and methodology. The researcher also began the process of analysing the data gathered from the in-depth interviews, participant observation, and documentation. Data collection and analysis was on-going during the core action research project as it was used to inform further action, as well as to respond to emerging themes during the interviews. However, the process began in earnest, after the conclusion of the core action research process, in order to address the research questions posed at the outset of the project. In conjunction with this analysis, the researcher returned to the literature, methodological and subject matter, to inform the analysis. The final stage of the dissertation research project involved further analysis of

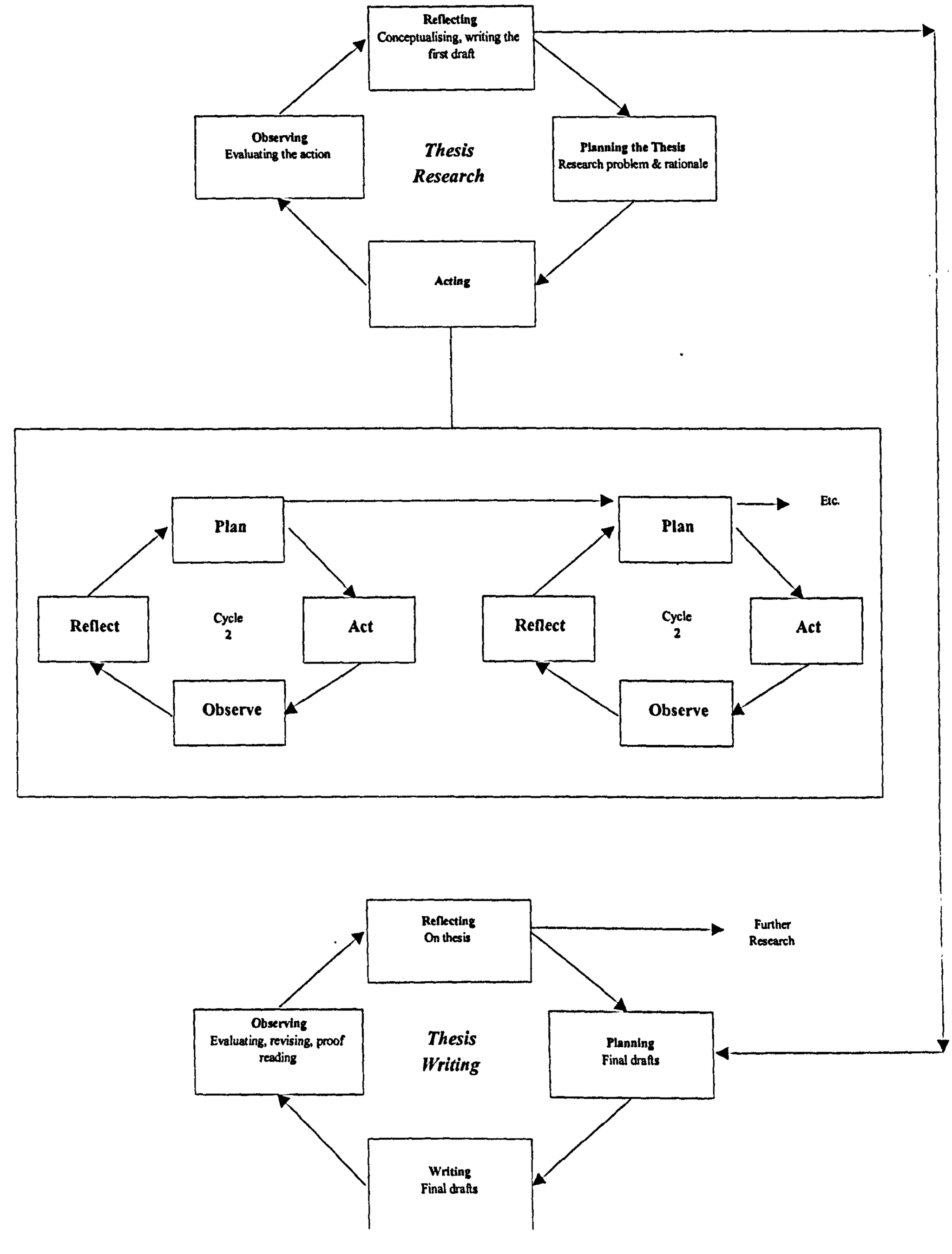

Figure 5.1: The Relationship Between the Core Action Research Project and Thesis Writing (from Perry and Zuber Skerrit, 1996:203-204)

data to develop grounded theory and a model of the impact of the group benchmarking process and the key determinants of impact. This included significant reflection as part of the writing and re-writing of this dissertation to clearly identify the contribution to the

knowledge in the areas of benchmarking, quality networking, and best practice transfer, and to suggest areas for further research. The observation and reflection stages of the process commenced about two years after the start of the research programme. They concluded approximately four ½ years later with the completion of this dissertation. The researcher spent about one ½ years full-time during this period much of which seemed to be wasted chasing down blind alleys in the literature. The project then sat unattended for nearly one year, after the researcher took up a new job and other activities took precedence. He then returned to the dissertation during evenings, weekends, and holidays, and over the last year has devoted significant periods away from work to complete the task.

5.2.7 Justifying the Use of an Action Research Method Within an Exploratory Case Study

Abraham (1997:80) as part of his justification for using an action research within a case study provides a comparison of the two methods, which clearly illustrates their compatibility. Table 5.12 illustrates this comparison.

Case Studies	Action Research
• Investigate contemporary phenomenon in real-life context	• Problem focused, real-life problems in the everyday world
• Boundaries between phenomenon and context is not clear- Holistic	• Action research attempts to understand the totality of a situation
• Uses multiple sources of evidence	• Triangulation in action research relies on multiple sources of evidence
• Descriptive	• Descriptive
• Specific	• Specific
• Can depend on inductive reasoning	• Naturalistic
• Have heuristic value	• Re-educative
• Cannot be standardised	• Plans modified following evaluation and reflection
• Controls absent	• Controls absent
• Longitudinal	• Longitudinal
• Qualitative	• Qualitative

Table 5.12: A Comparison of Case Studies and the Action Research Method (from Abraham, 1997:80)

Elliot (1978)[lxxxii] also supports the connection between case studies and action research. He states (p.121):

> *In explaining 'what is going on' action research tells a 'story' about the event by relating it to a context of mutually interdependent contingencies, i.e. events which 'hang together' because they depend on each other for their occurrence. This 'story' is sometimes called a case study.*

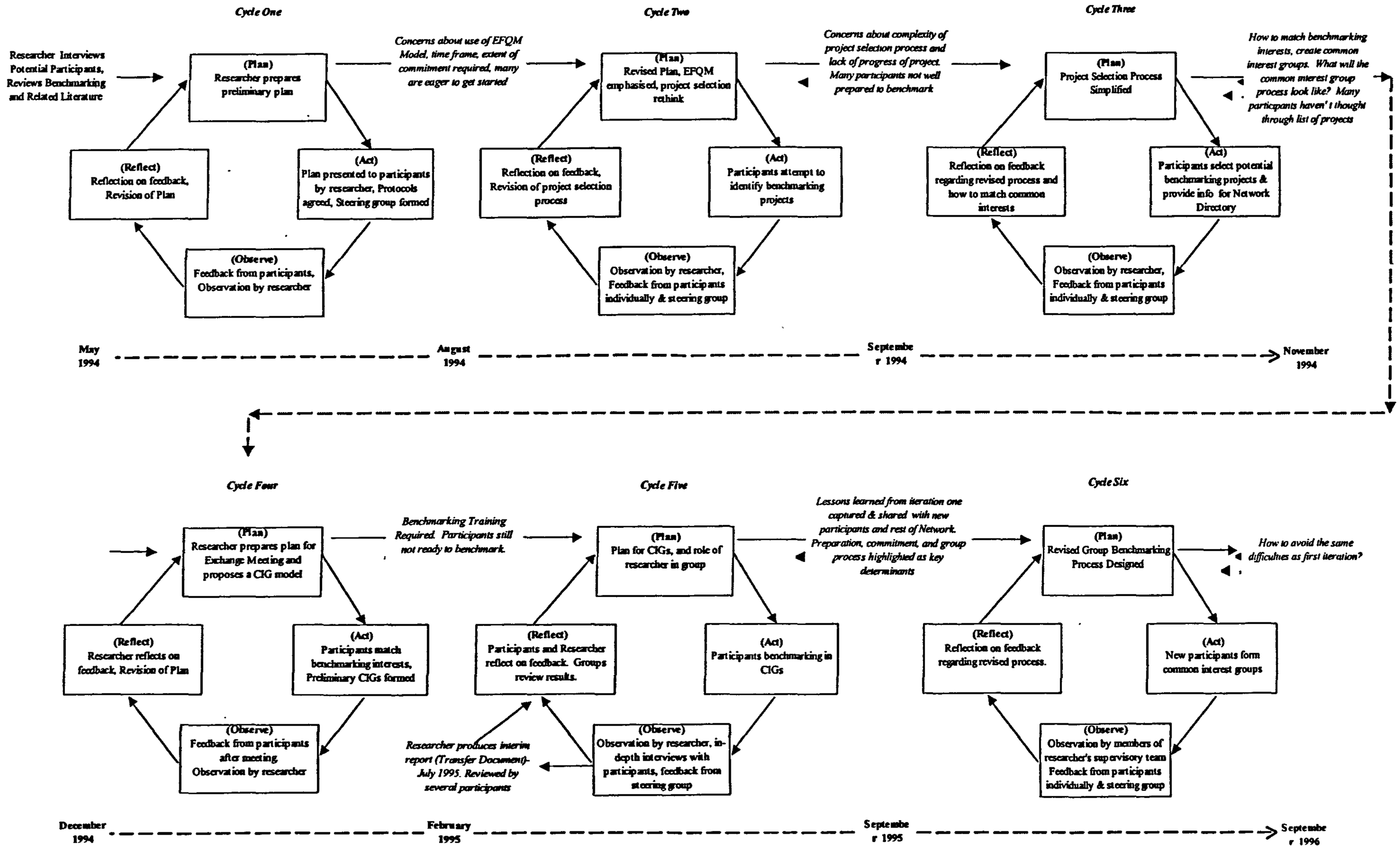

Figure 5.2: The Action Research Method Used in This Study

Similarly, Eden and Huxham (1996:83) describe an action research project as a 'one-off case study'. Finally, as Abraham (1997) clearly demonstrated in his case study of the design and implementation of a management development training programme for aboriginal community leaders, action research can be used quite successfully in the context of an exploratory case study research design. Like Abraham, this researcher recorded the events that occurred during the design, implementation, and refinement of a group benchmarking process as part of an exploratory case study. Participant observation, in-depth interviews, and review of documentary evidence were used to collect data. Multiple sources of data and the use of multiple researchers provided two sources of triangulation. These methods are also considered appropriate for use with a case study research design (Yin, 1994) and with an action research method (Dick, 1993, 1997, 1999). Grounded theory techniques, which are again considered compatible with a case study research design (Yin, 1993) and with an action research method (Dick, 1999a), were used to analyse the data. Data collection and analysis techniques are discussed below.

5.3 Techniques Used to Collect Data

Several methods were used to collect data about the effectiveness of the group benchmarking process and the key determinants of effectiveness. The two most significant techniques were participant observation and in-depth interviewing, which are both considered compatible with the case study research strategy and the action research method discussed above (Marshall and Rossman, 1995; Easterby-Smith et al, 1991; Abraham, 1997). The researcher also examined documentary evidence, including extensive documentation about the group benchmarking process (much of it generated by him), as well as the minutes of all meetings (e.g. common interest groups and steering group, etc.). These documents provided valuable background data on the participating organisations and individuals and served as a means of triangulating the data gathered using other methods. In the following sections, each of these techniques and how they were applied in this research programme are discussed.

This study employed what could be called a 'two-tiered' approach to data collection that reflects the nature of the action research method used. As described above, at a macro level, the action research method consisted of one 'meta' cycle of plan, act, observe, reflect (See Figure 5.2). Within that 'meta' cycle the research used a number of smaller cycles of plan, act, observe, and reflect. Within each of the smaller action research cycles, the

researcher used participant observation to gather data. Understanding and interpretation of the data was on going and was used to improve practice during the next cycle. This helped to build rigour into the process, as at each stage, the researcher had the opportunity to test and disconfirm his emerging insights (Dick, 1997, Dick and Swepson, 1994). At the meta level, in-depth interviews and review of documentary evidence were the primary means of data collection as the impact of the group benchmarking process and the key determinants were reviewed. These interviews were done in two stages. The first took place after Stage One of the group benchmarking process (i.e. network established), and the second followed after the completion of Stage Two (common interest groups)

The in-depth interview process could also be considered as an action research cycle (Dick, 1997c, 1999a). The researcher started out with a plan (plan). He then conducted the interview (act). He observed the behaviour of participants and recorded the responses (observe). He reviewed the audiotapes and notes and tried to make sense of the data (reflect). He used the next interview to probe developing themes and look for evidence, which might disconfirm his developing theories and hypotheses. The progression from interview one to interview two could also be viewed as cyclic process. After completing the first round of interviews, the researcher reflected on the emerging themes. This reflection was enhanced by the production of an interim academic report, called the 'transfer' document, in which the researcher examined the current state of understanding (of impact and determinants) and laid out the plan for completing the research programme. During the second round of interviews, the researcher used the interviews to test the emerging understanding and look for evidence to disconfirm his preliminary findings. Again, each interview was an opportunity for a plan, act, observe, and reflect cycle. The data gained from in-depth interviews and the study of documentary evidence, was combined with the on-going participant observation data during the observation and reflection stages (depicted in Figures 1.2, 5.1, & 5.2) to provide an answer to the two research questions posed at the outset of this programme.

5.3.1 Participant Observation

Participant observation, as the name implies, refers to the researcher becoming involved first hand in the social world or setting which forms the subject of his/her investigation (Marshall and Rossman, 1995). It involves the researcher watching, recording, and analysing events of interest (Blaxter et al, 1996:158). Its roots are in ethnography and

anthropology where it was not untypical for a researcher to live with the tribe to better understand its culture and traditions (Easterby-Smith et al, 1991:96; Yin, 1994:88). Participant observation can be viewed as both an overall approach to inquiry and a data gathering method that is quite typical of qualitative research programmes (Marshall and Rossman, 1995:78). As defined by Abraham (1997:100) participant observation is:

> *'A strategy in which the researcher adopts a role in a community or organisation so that observations may be made, not only of the behaviour of other participants but also of the feelings of the observer as participant'*

Based on Spradley (1980), Abraham (1997:100) identified the key differences between a participant and the participant observer, as well as highlighted a number of potential activities of the participant observer. These are as follows:

- **Dual Purpose**- The researcher is involved in activities related to the situation under study and in activities such as making and recording observations about participants' behaviour
- **Explicit Awareness**- Making note of all behaviour
- **Wide-Angle Lens**- Recording a broad range of observations which may not appear relevant or useful at the time but could add to understanding later in the research process
- **The Insider/Outsider Experience**- Alternating between being part of the group, taking part in their activities and experiencing things from their perspective, and being external to the process and observing from the outside
- **Introspection**- Using reflection and introspection to better understand experiences as a participant
- **Record Keeping**- Maintaining a detailed record of objective observations of participants, as well as subjective records of one's own feelings as a participant.

Participant observation has also been viewed as a 'continuum' of involvement in the context/setting which ranges from being a full participant to a 'fly on the wall' observer who plays no formal or informal role in the setting (Patton, 1990; Marshall and Rossman, 1995). Junkers (1960) categorised the role of the participant observer into four general types. They are:

- Complete participation
- Participation as observer
- Observer as participant
- Complete observer

Easterby-Smith et al (1991:96-101) modified these categories to more accurately reflect the nature of management research. They propose that the researcher could take on the following four roles:

- **Researcher as Employee**- Useful when the researcher wants/needs to be totally immersed and experience the work situation. Identity as a researcher may not be clear, i.e. may be covert.
- **Research as the Explicit Role**- Researcher is present in the organisation for a significant period but organisation is aware that primary role is researcher.
- **Interrupted Involvement**- Researcher dips into and out of the setting over a period of time. This is a standard model of participant observation- long periods of involvement and observation combined with interviews.
- **Observation Alone**- Researcher has little interaction with the participants, just observes the process.

This researcher was an 'observer as participant' in Junkers' typology. In the language of Easterby-Smith et al, the researcher role could be best described as interrupted involvement. He worked with the participants to design and implement the group benchmarking process. This involved sustained, though interrupted interaction over a two-year period. It was made clear to participants that this author would play a dual role. He would both facilitate and lead the development of the group benchmarking process, and in the process would be gathering data about its impact and key determinants. Data gathering would be through observation and the in-depth interviews. The data would be fed into the multiple, short cycles of plan, act, observe, reflect, and consequently would be used to improve the group benchmarking process. In addition, it would provide the basis for the researcher's contribution to propositional knowledge in the field of benchmarking and best practice transfer.

5.3.1a Strengths and Weaknesses of Participant Observation

As a key element of many qualitative research studies, participant observation has a number of important advantages. Based on Yin (1994) the strengths of participant observation can be summarised as follows:

- Ability to gain access to events or groups that might not otherwise be accessible to scientific investigation- i.e. no other way to get the data than to participate
- Provides an opportunity for the researcher to perceive reality from the perspective of someone 'inside' the case study which may be invaluable in terms of being able to accurately portray the phenomenon under study
- Covers events in real time and in context
- May enable the researcher to manipulate minor events within the case study that may provide additional variety in terms of data collection.

However, as Yin (1994) also points out, participant observation can create significant problems, many of which stem from the potential biases produced. These problems include:

- The researcher may have difficulty maintaining independence and at times may have to assume positions or roles, which run contrary to good scientific practice. He may 'go native' as Burgess (1982) highlighted.
- The researcher may become a supporter of the group or organisation being studied.
- The participant role may require too much attention relative to the observer role, which may hamper the ability to gather data and raise questions about the events being studied.
- Time consuming and costly in terms of manpower
- Selectivity- difficult to cover a wide range of 'site' particularly if a single researcher
- Reflexivity- event/behaviour may proceed differently because it is being observed
- Bias due to researcher's manipulation of events

Essentially, Yin's strengths and weaknesses are highlighting the dichotomy between what Easterby-Smith et al (1991) refer to as the positivist (often associated with the use of quantitative methods) and social constructionist research (often associated with qualitative methods) paradigms. Participant observation is a qualitative method of data collection, which sits comfortably in the social constructionist camp (Easterby-Smith, 1991). When viewed from a positivist perspective, many of the problems listed above will emerge.

In this case, the main difficulty was the impact of the researcher as participant observer on the setting and behaviour of the participants. The researcher was the main facilitator and leader of the Network. As such, he would be expected to have an effect on the behaviour of participants, as well as influence the impact of the group benchmarking process. During the in-depth interviews, discussed in subsequent sections, participants were probed in an attempt to determine what influence the researcher as facilitator had on the impact of the process. The researcher was mature and professional which helped to ensure that observation and data gathering efforts were thorough and were not unduly impeded by participation. This researcher would claim that other researchers working in the same setting would produce similar observations (everything else being equal) to this researcher, though the only way to test this claim is for other researchers to carry out similar studies. In summary, it is argued that the researcher as participant observer did not unduly affect or bias the research findings. His impact was measured, his behaviour was professional, and his data gathering was thorough and unimpeded by his participation.

5.3.1b When to Use Participant Observation

Yin's advice to researchers is to consider the trade-offs between the strengths and weaknesses of participant observation and to make a decision based on the circumstances of the case. Unfortunately, he provides little guidance as to when it is most appropriate to

use participant observation. According to Jorgensen (1989:12-13), participant observation could be useful in situations where little is known about the phenomenon being studied, where the perspectives of those inside might differ significantly from those outside, or when it was difficult to gain an understanding of the phenomenon without becoming part of it. Abraham (1997:102) building on the work of Jorgensen identified a number of conditions, which are conducive to the use of participant observation research methods. These included:

- Research problem is concerned with human meanings and interactions viewed from the insider's perspective.
- The phenomenon is observable within an everyday setting
- Researcher is able to gain access
- Location and size are limited so participant observation is a manageable technique
- Study questions are appropriate for a case study
- Research problem can be addressed by qualitative data gathered by direct observation and other means pertinent to the field setting.

Abraham (1997:103) also pointed out that participant observation was appropriate to exploratory studies, descriptive studies, and those aimed at generating theoretical interpretations.

In this case, participant observation was used for the following reasons:

- Little was known about a phenomenon like group benchmarking. In particular, little was know about the impact of initiatives like group benchmarking or what factors determined the impact.
- It was anticipated that those who were participating in the Network would have significantly different views from those on the outside. Similarly, it was believed that the organisers of commercial benchmarking networks (an alternative setting) might have an inherent bias to accentuate the benefits of participation and paper over the difficulties.
- The phenomenon was obscured from view in the sense that in another setting, it would have been impossible or impractical to attend all sessions/events. It may also have been difficult (and time consuming) to negotiate access.
- The phenomenon was observable in a real-life context, i.e. that of the Benchmarking Network and common interest groups, which came complete with all the distractions and unanticipated developments inherent in everyday affairs.
- The research problem was amenable to the application of qualitative methods and the participant observation sat comfortably with the other methods used (i.e. action research method, in-depth interviews) and the case study research strategy.

In addition, the participant observer role was taken on for a very practical reason; it was the task the researcher was hired to do. If he did not design and implement the group benchmarking process with the participants, he would not have had a phenomenon to study.

In other words, it would have been a theoretical exploration of the potential impact of a group benchmarking process. Studying another quality networking initiative located in another part of the country, while organising your own similar initiative, was impractical and unnecessary.

5.3.1c Ethical Issues

Participant observation has the possibility of raising serious ethical dilemmas (Easterby-Smith et al, 1991). They (p.65) cite Ditton (1977), who argues that participant observation is basically deceitful because it is difficult not avoid some deception about your real purposes as a researcher. Easterby-Smith et al (1991:65-66) highlight two main ethical issues. The first dilemma relates to how much the researcher should reveal to participants about his role. They suggest revealing only as much as is necessary to 'get by'. The second ethical issue relates to the control and use of data by the researcher. They suggest that the researcher needs to exercise 'due ethical responsibility' and not publish anything, which would harm the interest of participants.

Marshall and Rossman (1995:71-72) also address the question of ethics. Like Easterby-Smith et al (1991), they mention confidentiality/anonymity and 'informed consent' (their term). They also identify the issue of reciprocity. That is, what are the participants going to get in return for giving time and energy to help the researcher? In their view, the researcher must carefully consider this issue before expecting to get 'something' for nothing, particularly when it is not clear what direct benefit participants will receive from the researcher's work.

The use of participant observation in this study also raised ethical issues in line with those identified above. As no magic formula exists to address these issues, the researcher was forced to think through the potential ethical dilemmas, and to develop an appropriate response to keep this research on a safe ethical footing. The researcher response to the issues of informed consent, confidentiality, and reciprocity are outlined below:

- The researcher made it clear from the outset that the formation of the Network and the creation of common interest benchmarking groups was a funded, three year research project, not a commercial operation designed to generate revenues for the Business School. Funds were available to provide for a full-time research assistant/Ph.D. student. Subscription fees were kept to a minimum. The initial process design aimed to transfer ownership of the Network from the researcher and his colleagues to members of the Network, via the steering group.
- The researcher's role was made clear at the outset. All participants were aware that findings and learnings related to the benchmarking process would be shared within the

Network and with wider audiences outside this forum. The researcher made clear that this was part of the 'price' of admission. No organisation asked for special conditions, and none were offered.

- The focus of the study, the research objectives and questions, and the data collection methods were made clear at the outset, before participants formally enlisted in the Network. They were also told that the role of the researcher and the Business School would be part of the study's focus.
- The anticipated level of support from the researcher for members' benchmarking efforts was outlined at the beginning of the project. Thus, participants had some idea of what they would be getting from the researcher in return for their contribution to the Network. They could then decide for themselves whether an equal exchange was likely to occur.
- The confidentiality of organisations and individuals was assured. All organisations and individuals were disguised
- Earlier drafts of this dissertation (i.e. transfer document) and preliminary findings were shared with and discussed with participants during the course of the research.
- The action research method used in this study, while driven by the researcher, did encourage collaborative problem solving. The Network was designed and implemented with the help of the Network members, and with the purpose of helping Network members benchmark more effectively. Therefore, both the purpose and the means of achieving the purpose were intended to be ethical.
- The Network developed a Code of Conduct to ensure an ethical and professional approach to benchmarking. A no-competitor policy was in-force.

The above measures did help to address any potential ethical concerns. However, the researcher always felt pressure to provide additional help to participants to help ensure they would derive tangible benefits in terms of learning how to benchmark or from transferring good/better/best practices. In practice, this meant the researcher played a more active role in the process than originally envisaged. At the outset, he had what could be called a 'Field of Dreams' vision of how the Network would develop. In other words, he would build it, and they would come. In practice, he had to do a lot more than establish the Network. The researcher also had to help Network members get ready to benchmark, to match interests and form groups, and later to benchmark in common interest groups. One of the main 'ethical' dilemmas for this researcher was to balance the needs of the participants with the need to undertake research activities necessary to complete this dissertation. Interestingly, this dilemma was recognised by several of the more insightful participants who expressed concerns about the researcher getting too involved in the process. One, in particular, not trained in action research and qualitative methods, was fearful that the researcher's involvement, while beneficial, could 'spoil' his research. Upon reflection, the use of the action research method was particularly useful because it enabled the research to maintain involvement in response to the needs of the participants. Instead of spoiling the research, it may have contributed positively to its outcome.

The second ethical dilemma relates to confidentiality and anonymity. It would be difficult for anyone from outside the Network to identify, which organisations and individuals participated in this research. Not enough information is given, and what is presented is well disguised. However, participants should have little difficulty recognising themselves and their colleagues. If participants did not recognise themselves and their fellow participants, there would be questions about the accuracy with which the data and the story of the group benchmarking process has been presented. In the researcher's view, this is an unavoidable trade-off. In addition, the dissertation will be published well after the events, which are described herein.

In some cases, the participants may not like what they read. Similarly, their superiors may not be overly impressed with what they read, particularly if little or no benefits have been generated despite the significant commitment of resources. Essentially, there is no response to those who do not like what they read about themselves, their organisation, or the conclusions, which have been drawn by the researcher after careful analysis and interpretation of the data. If they put little or no effort into the process and consequently got little out of it, live and learn. They should not be surprised that benchmarking is similar to any other process improvement methodology. Findings were fed back to participants during the course of the research. Interpretations were reviewed with, and reflected upon, with participants on a number of occasions, particularly during the final in-depth interviews. The case studies presented later in this dissertation are filled with observations (quotes) from participants. The researcher took care in selecting and presenting these observations to accurately reflect their views. In summary, the researcher made every effort to portray the individuals and organisations accurately, fairly, and sensitively in this dissertation.

5.3.1d How Participant Observation Was Used in This Study

The researcher participated in the group benchmarking process as the facilitator and de facto leader of the process. He was responsible for using an action research method to design, implement and refine a group benchmarking process. As facilitator, he made detailed observations of what was taking place, attitudes and behaviours of participants, the impact of the process, and the key determinants of impact. He supplemented these 'direct' observations with documentary evidence and in-depth interviews, both of which are described below. He also used other members of the research team as valuable source of participant observation. He did this by interviewing (formally and informally) other members

of the research team that were also involved in a number of aspects of the common interest group process. These colleagues were useful in terms of data collection, as well as during the process of analysis, interpretation and the development of grounded theory. Their role in triangulating the data is further discussed below.

In total, the researcher spent over eighteen months intimately involved in all aspects of the group benchmarking process. It was his full-time job, as a research assistant employed by the Newcastle Business School. The previous chapter provided extensive detail on the main activities led by the researcher. Whilst participants focused on the task of trying to benchmark, the researcher focused on the process of trying to help them do so more effectively by using a Network and common interest groups. He provided some expertise as a facilitator, and organiser, as well as subject matter expertise when possible. Once the first iteration of the process was complete, and round two of the process was designed, this researcher's role moved closer towards that of a pure observer. His role within the Network was assumed by other members of the research team whose emphasis was primarily on action, i.e. benchmarking, rather than research. With the exception of several review sessions, as described in the previous chapter, this researcher had very limited contact with the Benchmarking Network after round one of the group benchmarking process. His attention then focused on better understanding the mountain of data, which he had collected, and producing this dissertation.

Through his work on the project, the researcher developed close professional relationships with a number of the main participants, several of which have served as referees for the researcher. Because of the relationships developed between the researcher and many of the participants, the researcher believes that participants were better able to reflect on and learn from their experiences. Much of this open and honest reflection was captured during in-depth interviews discussed below. This enabled the researcher to paint an accurate picture of both the impact of the group benchmarking process and the potential determinants of impact.

5.3.2 In-depth Interviewing

In-depth interviewing has been described as a conversation with a purpose (Kahn and Cannell, 1957:149). It is a technique, which is used, quite extensively in qualitative research, including case studies[lxxxiii] and action research (Marshall and Rossman, 1995:80;

Yin, 1994:84, Abraham, 1997). Interviewing is considered an effective method of gathering large amounts of data very quickly (Marshall and Rossman, 1995), and when combined with techniques such as participant observation, will enable the researcher to better understand the meanings people attach to issues and events in the context in which they occur (Marshall and Rossman, 1995:81; Easterby-Smith et al, 1991:73). As Burgess (1982:107) explains, the interview provides 'the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate and inclusive accounts that are based on personal experience'. However, as Easterby-Smith et al (1991:73) point out, the researcher must be skilled at conducting interviews so that the opportunity to gain insights and understanding are not missed, and consequently only a superficial exchange of information results.

Interviews can be conducted in a number of different styles, formats, and settings for example one-to-one, in groups, face to face, over the phone, etc (Blaxter et al, 1996:154). In any case, one of the key issues in the use of interviews is the 'degree of systematisation' (Marshall and Rossman, 1995:80) or structure (Jones, 1985) in the questions which is used. That is, to what extent are the questions standardised and pre-determined in advance, rather than allowed to unfold according to the context of the interview, or to reflect the responses of the individual and their needs? The extent of standardisation and structure is reflected in the three general types of interviews proposed by Patton (1990:280-290). They are:

- The informal conversational interview
- The general interview guide approach
- The standardised open-ended interview.

Yin (1994:84-85) also proposes three types interviews, which are again distinguished in terms of the degree of structure and standardisation of the questions. His types are:

- Open-ended interviews
- Focused interviews
- Formal survey

Easterby-Smith et al (1991:73-75) keep it even simpler. Interviews fall into three categories. They are:

- Unstructured
- Semi-structured
- Structured

In each typology, the first category most closely resembles a free flowing conversation. The interviewer goes where the interviewee takes them. According to Yin (1994:84) this is the most common type of case study interview. At the other end of the spectrum, is the standardised open-ended interview in which a standard set of questions is applied 'identically' to each person interviewed. As Easterby-Smith et al (1991:72-73) point out, this approach is closer to the survey methods employed in quantitative research. As a result, the researcher would be expected to follow generally accepted methodological protocols in both the collection and the analysis of the data gathered. The structure of the questionnaire would tend to reflect the researcher's prior assumptions, hypothesis, and/or conceptual frameworks, though by allowing an open-ended response (as opposed to multiple choice or scale, etc.) some flexibility and individuality of responses could be maintained (Easterby-Smith, et al, 1991:72-73). This type of interview would be more appropriate in hypothesis testing, rather than the exploratory, hypothesis generating research (Yin, 1994; Marshall and Rossman, 1995; Easterby-Smith, 1991; Dick, 1997c), which is presented in this dissertation.

The general interview guide or focused interview approach tries to strike a balance between the two extremes providing some structure to guide the interviewer, without forcing individuals into tightly pre-determined categories. In qualitative research, the tendency is towards the conversational approach with open questions designed to explore a few general topics, which will enable the researcher to understand the meanings participants place on events (Marshall and Rossman, 1995). As Easterby-Smith et al (1991:73) point out, 'between the two extremes lies an abyss of practice and therefore theory about the purpose and nature of the qualitative interview.' In their view (p.73) the main reason for conducting qualitative interviews is to understand 'how individuals construct the meaning and significance of their situations from the complex personal framework of beliefs and values which they have developed over their lives in order to help explain and predict events in their world.' Providing too much structure would seem to run the risk of imposing the researcher's beliefs and values on a participant which may limit the range of potential responses, and consequently the value of the interviews.

5.3.2a When are In-depth Interviews Appropriate and Why were They Used in This Study?

Interviews are a regular feature in both action research (Dick, 1993, 1997c; Abraham, 1997) and case studies (Yin, 1993; 1994). As Yin (1994:85) points out, case studies are about

human affairs, which should be reported and interpreted through the eyes of well-informed respondents who can provide insights into the phenomenon and its context. Action research, on the other hand, is concerned with the researcher working with a group of people to improve practice (Dick, 1993, 1997a, Dick and Swepson, 1994). As such, the interview can also be used as a vehicle for the researcher and members of the group to reflect on their experience in order to gain new insights and to improve practices during subsequent cycles of the action research cycle (Dick, 1993, 1997; 1997c, 1999; Easterby-Smith et al, 1991:81). Easterby-Smith et al (1991:74) propose that interviews (of any type) are appropriate methods in the following circumstances, when:

- It is necessary to understand the constructs that the interviewee uses as a basis for his/her opinions and beliefs about a particular matter or situation
- One aim of the interview is to understand the interviewee's 'world' so that the researcher might influence it, either independently or collaboratively as in the case of action research.

They also suggest (p.74) interviews may be useful when:

- The step-by-step logic of a situation is not clear
- The subject matter is highly confidential or commercially sensitive
- The interviewee may be reluctant to be truthful about the issue other than confidentially in a one-to-one interview

As Marshall and Rossman (195:81) point out, interviews are an appropriate when the subjective view, i.e. the participants' perspective on events that matters. In-depth interviews were appropriate in this research for a number of reasons. First, this was an exploratory case study designed to generate hypothesis for further study. Rather than impose the researcher's constructs on participants, he sought to understand their opinions and beliefs about the group benchmarking process, its impact and the key determinants of impact. Semi-structured interviews, combined with participant observation and review of documents were ideal methods of achieving this outcome. Second, a key objective of this research, consistent with the ideals of action research, was to work with participants to design, implement and improve a group benchmarking process, which could help them to more effectively and efficiently transfer better/best practices. The most effective way to improve the process was review and reflects upon its performance with users/customers of the process. The in-depth interviews were an important mechanism for encouraging reflection and learning from experience, which could be used to improve subsequent iterations of the process. A third reason for using interviews was to better clarify what occurred beyond the

view of the researcher particularly in terms of preparing to benchmark and working outside the common interest groups. The in-depth interview was chosen as the best way of gaining this insight. Finally, whilst little of the information was commercially sensitive there were concerns about confidentiality and truthfulness that could best be addressed in a one-to-one interview. In particular, participants were asked about their own, and others' commitment to the process, input to the common interest groups, and the outcomes achieved. Arguably, some of these issues would be best addressed in the context of a one-to-one interview where confidentiality was assured and openness and honesty encouraged.

5.3.2b Strengths and Weakness of In-depth Interviews

Many of the strengths of in-depth interviews have been highlighted in the previous section.

These can be summarised as follows:

- They allow the researcher to collect large amounts of data very quickly (Rossman and Marshall, 1995:80).
- They enable the researcher to better understand the meanings people attach to issues and events in the context in which they occur (Marshall and Rossman, 1995:81; Easterby-Smith et al, 1991:73).
- They provide the opportunity for the researcher to probe deeply to gain new insights and to clarify issues and follow-up directly on responses (Burgess 1982; Rossman and Marshall, 1995)
- They can supply the researcher with 'vivid, accurate and inclusive accounts that are based on (participant's) personal experience(s)' (Burgess,1982:107).
- They can give the researcher a short cut to the background of a situation and help point him/her towards relevant sources of information (Yin, 1994:85)
- They can provide a learning opportunity if used by participant and researcher to reflect on experience and to draw meaning and understanding (Easterby-Smith, 1991; Blaxter et al, 1996:153; Dick, 1993, 1997; 1997c, 1999).

Interviews also have several important drawbacks, which need to be considered. They can be summarised as follows:

- Problems of bias (Yin, 1994:85), though in qualitative research the context of qualitative research bias has less to do with the consistency of how questions or asked or the lack of ambiguity, and more to do with the interviewer imposing his own frame of reference on the interviewees both in asking questions and interpreting the answers (Easterby-Smith et al 1991:79).
- Open ended questions may reduce bias but can create a situation in which the interviewee doesn't understand the question, and the researcher can't make sense of the answer (Easterby-Smith, 1991:75)
- Interviews can produce a tremendous mass of data which can overwhelm the researcher's efforts to analyse it (Marshall and Rossman, 1995:81; Blaxter et al, 1996:156)

- Co-operation is essential. Interviewee may be uncomfortable sharing information, may have some incentive to be untruthful (Marshall and Rossman, 1995:81), may suffer from poor recall or simply be inaccurate or inarticulate (Yin, 1994:85)
- Reflexivity- The interviewee may give the interviewer what he wants to hear (Yin, 1994:80)

5.3.2c Other Considerations and How to Address Them

In addition to these potential weaknesses in the use of in-depth interviews, Easterby-Smith et al (1991:74-82) identify seven considerations necessary to ensure interviews are successful. By 'successful', they mean to avoid the above weaknesses. These considerations are as follows:

- Degree of structure
- Interviewing skills
- Social interaction
- Obtaining trust
- Interview bias
- Relevance to interviewees
- Ethics

The researcher took a number of steps to address the potential weaknesses of using interviews, and the considerations identified by Easterby-Smith. For example, in terms of structure, the first set of interviews had a greater emphasis on structure, while the second interviews covered only two broad categories, namely impact and determinants. The researcher produced an interview schedule for the first set of interviews (see Appendix 14), though he did not adhere to it religiously. A significant portion of the first interviews involved gathering background information about the organisation and the individual participants, in particular, their 'quality management development' and previous benchmarking experience. These areas were beginning to emerge as critical to the impact of the group benchmarking process, and were therefore pursued by the researcher. The researcher was also trying to find out more about the level of 'commitment' to the Benchmarking Network and the common interest groups, as this was also emerging as a key issue in terms of the effectiveness of the group benchmarking process. The participants were also asked about their reactions to the various stages of the process and probed to explain how these could be improved during future iterations of the process. On a scale of one to ten, with one being unstructured and ten being close to a formal quantitative survey, interview one was designed to be about a six. This would give enough structure to ensure the right background information was gathered and emerging insights (from participant observation)

were followed up, but not at the expense of quashing participants' views and meanings gained from the experience of the group benchmarking process.

The researcher did not produce a formal interview guide for the second round of interviews. He did, though, operate from an implicit conceptual framework based on an emerging understanding (based on reflection upon the first interviews, participant observation, and the on-going literature review) of the impact of the process and the key determinants of impact. During the second interviews, participants were probed about the impact of the process, the extent to which the impact was 'transferred' across their organisation, what they believed to be the key determinants, and how to improve the process during the next iteration. Within those general topic areas, the scope for discussion was open. Again, the researcher tried to strike a balance between following up on emerging insights (and looking for disconfirming evidence of emerging conclusions), which implies forcing a pre-determined structure on the participant, and enabling the conversation to flow in order to discover new insights. The researcher believes he got that balance right. As a practical matter, not providing some focus for the discussion would have been tantamount to stupidity, as the areas of focus reflected the research questions posed and the desire of the researcher and the group to learn from the experience to improve practice.

Interviewing skills relate to an interviewer's ability to recognise what is relevant and remember it (Easterby-Smith et al, 1991:76). The researcher taped all interviews and made additional notes during the interview if appropriate. These tapes were later transcribed as discussed below. The researcher was also accompanied by a colleague on several occasions to help ensure good interview practice. Members of the supervisory team also listened to several of the first interviews, and gave feedback to the researcher on his technique. In addition, the researcher consulted the methodological literature on in-depth interviewing to help develop effective interviewing skills. He also attended a University of Northumbria qualitative research methods course. It is argued that these efforts taken together helped to ensure that the researcher was exhibiting good listening skills, recognising what might be relevant, recording and remembering relevant items, and generally, not violating good interview practice by projecting his own ideas onto the interviewee, and thereby biasing the process.

Social interaction relates to the relationship between the researcher and the interviewee. It is also closely related to the issue of trust (Easterby-Smith et al, 1991:77). Both these influence the degree to which the interviewee is willing to 'open up to the interviewer' and provide honest insight into the meanings they have drawn from their experience of the phenomenon being studied. The researcher addressed these issues in a number of ways. First, as noted above, there was a system of reciprocity established at the outset of the project. The participants were clear at the outset what they would receive from the researcher, as well as what was expected in return. The researcher had delivered his end of the bargain, and participants did not seem to begrudge his right to ask questions. One hundred percent of the participants who participated in the common interest group stage of the process were interviewed. Of those that reached the common interest group stage, all but one participant was interviewed[lxxxiv]. Each interview began with an explanation of the purpose of the interview, the confidentiality of the data collected, and a reminder that the researcher would prefer openness and honesty, rather than rose tinted glasses.

Repeated interaction, in a variety of contexts, between the researcher and the participants, also helped to develop trust between the two parties. The researcher was thirty-one years of age at the start of the project, younger than many of the participants, but not young enough to be considered a 'student'. Participants were informed that he had some prior professional experience (in consulting). He dressed professionally, in suit and tie, for most encounters with participants. Participants seemed to regard him as a researcher or consultant, rather than a student, which may have underlined the serious and professional nature of the enquiry (see Easterby-Smith et al, 1991:77-78). As noted above, close professional relationships were developed and anonymity was granted for the interviewee. Consequently, not only was the researcher successful in gaining access, he was successful in getting participants to consider seriously the questions he asked, and to respond openly and honestly to his enquiries.

Bias, in the context of in-depth interviews, relates to researchers imposing their reference frame on the participant either during the interview or during its subsequent analysis (Easterby-Smith et al, 1991:79). Leaving the interview completely open can greatly reduce the risk of bias, though it can significantly increase the probability that the interview yields little useful data or misses an opportunity to disconfirm emerging themes. Easterby-Smith et al suggest using probes, to focus interviewees without unduly biasing their responses.

The interviewer tried to use the probe technique. He also used the 'pregnant pause' (silent probe- Easterby-Smith et al) to get the interviewee to fill the silence rather than trying to jump in every time things went a bit quiet. As described above, he requested and received feedback on his interviewing technique from members of his supervisory team, consulted the methodological literature, and went on a course to improve his technique, which though far from perfect, tried to recognise and avoid introducing bias.

In terms of relevance to interviewees, the researcher very quickly recognised that participation in the group benchmarking process was not particularly high on the agenda of most participants, or the organisations they represented. Nevertheless, individual participants did have a vested interested in helping to ensure that the process was successful, and provided benefits to their organisation. Because they personally spent a significant amount of time on the process, it is argued that they found it of some relevance and importance, and had an incentive to help the researcher improve it. One way to ensure this happened was to work with the researcher to review and reflect on the process, their role in it, its impact, and the key determinants of impact. The primary mechanism for this was the in-depth interview with the researcher. Participants were aware of the methodology employed by the researcher, and knew that the data he gathered would inform analysis designed to not only produce research outputs, but also to improve the process. By improving the group benchmarking process, they could improve the probability that participation would deliver real benefits; as a result, they had a strong incentive to help the researcher through the in-depth interviews.

Another consideration highlighted by Easterby-Smith was ethical issues. These were addressed in some detail with regard to participant observation. In addition to the previous discussion, it should be noted here that the researcher did not, over the course of the research, share interview data amongst the group. Only interpretations of the raw data were shared. Likewise, data gathered during interviews with participants was not shared with their superiors or with other members of their organisations. As a result, for the reasons discussed in this section, the researcher believed that the responses he received from participants during the in-depth interviews accurately and honestly reflected their perceptions of reality.

Finally, the questions of poor recall, inaccurate information and, perhaps most importantly, participant truthfulness remain. With regard to poor recall, the first set of interviews was conducted during the course of the first iteration of the group benchmarking process. These focused on events which occurred up to eight months previously, though the primary focus was the more recent past two to three months. The researcher was not probing for specific details only general impressions of specific events, which the interviewee had attended. The second round of interviews was conducted shortly after the common interest groups had completed their work. Again, the researcher was not probing for specific details of specific meetings. Again, most interviewees were directly involved in the process. Therefore, it is argued that poor recall or inaccurate information while a genuine consideration was not a genuine problem in this case study.

Finally, the researcher has made the fundamental assumption that participants told the truth during the interviews. It is recognised that because participants may have devoted a significant amount of their own personal time to the project, they may have had an incentive to justify this investment by claiming benefits beyond what were actually achieved. The researcher recognises this possible incentive to be economical with the truth, though he believes this was not really an issue in this case. As described above, the researcher developed a positive relationship with most participants, which encouraged an open and honest dialogue between researcher and interviewee. Participants seemed to share the desire to improve the process, which could only happen if problems were surfaced and addressed. Participants were also clear that the group benchmarking project did not have to be a 'success' during round one for the research to be a 'success'. Therefore, they should not have felt the need to hold back in their critique of the impact, or lack thereof, or the factors they believed contributed to the impact/lack thereof. In fact, the researcher generally found participants to be quite reflective and self critical of their own failings, particularly the failure to devote adequate time and resource over a sustained period to the project. Anyone wishing to test the veracity of these claims is welcome to revisit the researcher's interview notes or the audio tapes upon which they are based.

Some of these issues will be revisited in relation to Yin's (1994) three principles of data collection, including the use of triangulation, which are discussed in some detail below.

5.3.2d A Summary of How In-Depth Interviewing Was Used in This Study

Table 5.13 provides a summary of how in-depth interviews were used as an integral part of this research programme. As Table 5.13 illustrates, the researcher was able to personally interview a significant proportion of the individuals who participated in the group benchmarking project, including 100% of common interest group participants and over 90% of those who reached the Exchange Meeting Stage. In the main, only those who left the Network quite early in the process escaped at least one formal, in-depth interview lasting approximately 1.5 hours on average. The first round of interviews was conducted in Spring of 1995 at the outset of the common interest group process. The second round of interviews was completed in Autumn 1995. Individuals from organisations, which did not reach the common interest group stage, were also interviewed, where possible. In addition, informal interviews, participant observation, and documentary evidence were used to gather data on this segment of participants to help understand the reasons for their lack of progress and/or decision to drop out of the process.

All interviews were recorded on audio cassette and all interview data was partially transcribed. All but six of 43 interviews were partially transcribed by the researcher, the other six were done by a paid transcriptionist. On average, approximately 75% of an interview ended up on paper[lxxxv]. The remainder was discarded as not particularly relevant to the research programme. Where possible, formal interviews were conducted with more than one person from a participating organisation. This was possible in 58% of the cases, though it is worth noting that in most of the organisations where this did not occur, no one else from the organisation had had any contact with the project. This provided opportunities for triangulation and to clarify and

Total no. of participants interviewed[lxxxvi]	24
Total no. of interviews conducted	43
Average time per interview	1.5 hours
Approximate no. of hours of interview data	64.5
Approximate no. of pages of notes taken/partially transcribed	300 pages- 115,000 words
% of common interest group participants interviewed at least once[lxxxvii]	100%
% of those who reached the Exchange Meeting interviewed at least once	92%
% of those who played some part in the process but dropped out before the Exchange Meeting	72%

Table 5.13: Summary of In-depth Interviews

confirm/disconfirm developing understanding and interpretations. Most interviews were conducted with the Network contact person, though in several cases the researcher was

able to interview the contact person's supervisor/boss. This provided further triangulation opportunities.

As noted above, the researcher used a topic guide for both interviews. The first interview 'script' was significantly more detailed and structured than the second, as it was meant to provide an aid memoir to ensure the researcher gathered relevant background data about each participant and organisation they represented. The topic guide was reviewed before use by other members of the research team. The format and focus of the interviews was also reviewed with the steering group. The purpose of the interviews reflected the dual purpose of action research- i.e. improvement of practice and building of knowledge. Thus, they concentrated on both how to improve as well as participants' understanding of the impact of the process and the key determinants.

As noted above the researcher undertook formal training in qualitative research methods, including in-depth interviewing. He was also accompanied by a member of the research/supervisory team during several interviews, and received valuable feedback on how to improve his interview technique to help reduce the risk of bias or lost meaning. Members of the research team also sampled a number of the audio tapes, again providing feedback on interview technique as well as interpretations of the data. The researcher also reviewed and reflected on his technique, using each interview as a mini cycle of action research and an opportunity to continuously improve. As a result, he believes that the data gathered is relatively unbiased, fairly reflects the meanings expressed by participants, and can, therefore, in combination with the other data collection techniques, provide the basis upon which conclusions are drawn about the research questions posed in this study.

5.3.3 Review of Documents

The collection of documentary information is likely to be relevant in most case studies (Yin, 1994:81) and qualitative research (Marshall and Rossman, 1995:85). It is regarded as a useful means of supplementing participant observation and in-depth interviewing (Abraham, 1997; Marshall and Rossman, 1995:85; Yin, 1994:80). The review of documents is generally considered an unobtrusive method, as it tends to involve the gathering and analysis of documents, which are produced during the course of everyday events (Yin, 1994:80; Marshall and Rossman, 1995:85). Yin (1994:81) identified a number of different

types of information, which could be the object of explicit data collection plans. They include:

- Letters, memoranda, and other communiqués
- Agendas, announcements, and minutes of meetings, and other written reports of events
- Administrative documents- proposals, progress reports, and other internal documents
- Formal studies or evaluations of the same 'site' under study
- Newspaper clippings and other articles appearing in the mass media

Yin (1994:81) believes that reviewing documentary evidence serves three primary purposes. They are:

- Verification of information gained during an interview
- Corroboration of information gained from other sources (e.g. participant observation and interviews)
- Identification of clues worthy of further investigation

In general, as Marshall and Rossman (1995:85) point out, they may be very useful in developing a better understanding of the group or setting being studied. In short, if available, review and analysis of documentation should be used to supplement other data collection methods and provide opportunities for triangulating data gathered.

Based on Marshall and Rossman (1995:85-86) and Yin (1994:80-82) a number of strengths of reviewing documents as part of a qualitative research project can be identified. They include:

- It is unobtrusive and non-reactive
- It can often be done without disturbing the setting
- Stable- can be reviewed repeatedly
- Exact- contains exact names, references, details of an event
- Broad coverage- long span of time, many events, and many settings

On the other hand, a number of weaknesses with this technique have been identified. Based on Yin (1994:80-82), these include:

- Retrievability can be low
- Biased selectivity if collection is incomplete
- Reporting bias (by the author)
- Access may be blocked deliberately

As Yin (1994:82) points out, the researcher needs to remember the documentation he is reviewing and analysing was probably produced for a specific purpose and audience and not necessarily for the purposes of the researcher and the case study.

5.3.3a How Was It Used in This Study?

The researcher accessed and reviewed a variety of documents as part of the data collection phase of the study. In line with the recommendations of Yin, see above, this was an explicit part of the data collection process. The various sources of documentation reviewed, and the value they added to this study are outlined below:

- **Network Directory entries**- These provided valuable background information about each participating organisation, including products, markets, suppliers, customers, competitors, and a brief history of the organisation.
- **Agendas and meeting minutes of all Network events**- Provided a record of each event, which was useful during the write-up of internal reports and this dissertation. Captured the planned and actual outcomes of key events, which provided a basis for analysis of key stages of the group benchmarking process.
- **Documentation produced for all Network events**- As previous. Documentation refers to all the materials, i.e. presentations, handouts, etc. used at all Network events led by the researcher (or during round two, by other members of the research team).
- **Network steering group agendas and meeting minutes**- These were particularly useful to the researcher because the steering was used as a sounding board for developing interpretations of effectiveness and key determinants. They were also asked to review progress and to identify how to improve the process. They also served as a 'voice of the customer' providing feedback to the researcher on how best to meet the needs of the participants.
- **Common interest group meeting minutes**- Agendas and minutes were collected and analysed for all sessions of both active common interest groups. These were particularly useful in understanding inputs, commitment, and outputs of the process.
- **Common interest group final report(s)**- Each common interest group had a final review session. The managing change group produced a final report based on their review. The measuring customer satisfaction group did not produce a final report but notes were taken by the researcher and his supervisor during their final review session. Both provided insight into perceived effectiveness and determinants, which helped to corroborate evidence gathered through participant observation and in-depth interviewing. In addition, a review session was held with participants from rounds one and two of the group benchmarking process. During this session, extensive notes were taken. This review session provided another opportunity to corroborate the researchers findings that were emerging from the analysis of round one.
- **Original research proposal, initial project proposal, and internal transfer document**- These documents were very helpful in terms of comparing the original plan of action and initial interpretations of the data with those which emerged later in the process. In particular, initial assumptions about commitment, prior preparation, pace, and structures were found to be wildly inaccurate in the original research proposal and initial project proposals. By the time the internal transfer document was produced, the researcher's expectations were beginning to more closely reflect the reality of the situation.
- **Correspondence**- This refers to letters produced by the researcher, as well as those received by him. Those produced by the researcher give an indication of his plans and expectations for the process and how they were altered as the project unfolded. Correspondence from participants refers mainly to letters received which explained why

an organisation was withdrawing from the group benchmarking process. In addition to participant observation of their behaviour during involvement, this was the primary means of collecting data, as interviews were not an option.

- **Journal article**- In particular, the researcher made use of an article by members of his supervisory team, which described the Best Practice Club and the benefits, which its members believed they gained by participating. This was very useful to understand the context and setting of the research, as well as some of the potential participants.

In the main, the above documentation was used to supplement and confirm/disconfirm the primary data collection methods of participant observation and in-depth interviewing, and was invaluable as part of efforts to triangulate the data as described below.

The research sought to address the main problems with documentation in a number of ways. For example, to enhance retrievability, the collection and review of documentation was done in real time. As the process unfolded, the researcher collected (and analysed) the information, creating what Yin (1994:94-98) refers to as a 'case study database'. In the main, the collection of documentation did not wait until the end of the project where retrievability could become an issue. The research sought to reduce bias in selectivity by trying to collect 100% of the documentation for each of the types listed above. Thus all steering group and common interest group meeting minutes were reviewed, all project documentation was collected and analysed, and so on. It is fair to say that some of the documents may have had reporting bias. The researcher relied on common sense, a good understanding of the events and issues being described, the rapport developed with participants which encouraged openness and honesty and the use of data to improve the process, the promise of confidentiality, and the use of multiple methods to reduce the potential for bias. Finally, the access was not a real issue in this case. The researcher produced much of the documentation found above. Research was one of the explicit aims of the project and a principle of reciprocity was established and accepted by participants.

5.4.1 Analysing the Data

This section explores the methods used by the researcher to analyse the data generated through the use of participant observation, in-depth interviewing, and review of documents described above. This section will follow a similar format as the previous one. After a brief introduction, it will define grounded theory and review the processes used to generate it. This will be followed by a review of the potential strengths and weakness of this approach to analysing qualitative data, and in what situations it can be usefully applied. The section will conclude with a discussion of how the researcher used grounded theory in this study.

According to Marshall and Rossman (1995:111), 'data analysis is the process of bringing order, structure and meaning to the mass of collected data. It is a messy, ambiguous, time consuming, creative, and fascinating process. Qualitative data analysis is a search for general statements about relationships among categories of data; it builds grounded theory'. As, Schatzman and Strauss (1973:108-110) put it:

> *Probably the most fundamental operation in the analysis of qualitative data is that of discovering significant classes of things, persons, and events and the properties, which characterise them. In the process...the analyst gradually comes to reveal his own "is's" and "becauses": he names classes and links one with another, at first with "simple" statements (propositions) that express linkages, and continues this process until his propositions fall into sets in an ever increasing density of linkages.*

In other words the researcher tries to make sense out of a mass of data generated from participant observation, interviews, review of documents, and the like, in order produce a contribution to knowledge grounded in empirical experience. As Yin (1994:103) points out, whatever strategy and methods are employed, data analysis has three complementary goals. They are:

- To treat the evidence fairly
- To produce compelling analytic conclusions
- To rule out alternative explanations.

Data collection and analysis in much qualitative research is a closely linked process (Marshall and Rossman, 1995; Easterby-Smith et al, 1991; Abraham, 1997; Dick, 1993, 1999). Easterby-Smith et al (1991) for example, illustrate the link between data collection and data analysis through Kolb's (1986) experiential learning cycle of concrete experience, reflective observation, abstract conceptualisation, and active experimentation. As they explain it, the researcher might try an action or test out an idea at some point during the research. He would let some time elapse to think about the implications of the action. This could move on to abstract conceptualisation about some of the wider implications of the action or the links to existing theory. Finally, this could lead to new insights and ideas with which to begin the cycle anew. This view of data collection is shared by Schatzman and Strauss (1973:108-110)[lxxxviii] who write:

> *Our model researcher starts analysing very early in the research process. For him, the option represents an analytic strategy: he needs to analyse as he goes along both to adjust his observation strategies, shifting some emphasis towards those experiences which bear upon the development of his understanding and generally, to exercise control over his emerging ideas by virtually simultaneous checking or testing of these ideas.*

A similar linkage between data collection and analysis is implicit in the action research cycle (Perry and Zuber-Skerrit, 1992; Dick, 1997). During each cycle the researcher (and often the other participants) gather data about the outcomes of their actions. They then analyse the data, reflect on its meaning, and build their new understanding into their next plan of attack. As alluded to above, data analysis was both on going as part of the action research cycles of this research, as well as a defined stage in the research process as highlighted in Figures 1.2, 5.1 and 5.2 above.

Easterby-Smith et al (1991:105-106) argue that qualitative data can be treated in two basic ways. The researcher can try to turn the data back into numbers, using a technique like content analysis. Alternatively, the researcher can go 'by feel and intuition, aiming to produce common or contradictory themes and patterns from the data which can be used as a basis for interpretation'. (p.105). This they refer to as 'grounded theory'. Essentially, content analysis is an attempt to quantify qualitative data in order to analyse it, which some would argue defeats the purpose of conducting qualitative research in the first place (Easterby-Smith et al, 1991). Content analysis is a technique, which can be used to analyse various forms of communication. It is defined by Janis (1943:429)[lxxxix] as:

> *Any technique for the classification of sign-vehicles which relies solely upon the judgements (which theoretically may range form perceptual discriminations to sheer guesses) of an analyst or group of analysts as to which sign-vehicles fall into which categories, on the basis of explicitly formulated rules, provided that the analysts judgements are regarded as the reports of a scientific observer.*

As Easterby-Smith et al (1191:106) see it; content analysis is a halfway house between a positivist approach and a grounded approach. Abraham (1997:115) identified a number of strengths of content analysis: These include:

- It is unobtrusive. Neither the sender nor receiver realise they are being studied.
- It is amenable to unstructured interview data/material.
- It does not use up any of the supply of human research subjects.
- It is relatively inexpensive and can handle large volumes of data.
- The availability of material makes replication easy.

Easterby-Smith et al (1991:108) identify several situations when content analysis can be a particularly useful analytical technique. They are:

- Situations where the researcher is interested in establishing frequencies from qualitative or unstructured data, which can be added to a larger computer model.
- Situations when open ended questions are included as part of an otherwise structured interview they can be coded and added to the larger analytical framework

As Abraham (1997) illustrated, content analysis could be usefully employed in an exploratory study. However, this researcher decided that whilst content analysis could be useful, in this case, study grounded theory techniques would be more appropriate. Some of the reasons for this decision are highlighted in Table 5.14 below, which contrasts content analysis with grounded theory. In the researcher's view, the range of data collected here lent itself better to a holistic analysis aimed at generating hypotheses using inductive logic, as opposed to trying to pick apart the data, counting frequencies of response and looking for verification of hypothesis. The grounded theory approach also seemed to fit quite nicely with the action research method (Dick 1999a), as during each cycle 'theory' was effectively being developed, tested, confirmed/disconfirmed as the researcher and participants designed, implemented, and improved a group benchmarking process.

Fundamentally, the researcher was uncomfortable with the idea of trying to turn qualitative interview data into numbers which could be fed into a larger framework to be analysed using standard statistical techniques. He did not see the benefit in terms of rigour, validity or reliability (discussed further in a subsequent section). The researcher heeded the advice of Miles and Huberman (1984:54-55) who argued:

> *Converting words into numbers, then tossing away the words gets a researcher into all kinds of mischief. One is thus assuming that the chief property of the words is that there are more of some than of other. This, of course, is only one of the things that the words are, and certainly not the most important one. Focusing solely on numbers shifts our attention from substance to arithmetic, and thereby throws out the whole notion of qualitativeness; one would have done better to have started with numbers in the first place and saved a lot of time.*

He did, nevertheless, play around with content analysis, trying to apply it to the interview data, but did not find this particularly enlightening and therefore went back to grounded theory techniques as a means of gaining meaning from the voluminous interview and participant observation data.

Content Analysis	Grounded Theory
Bitty	Holistic
Go by frequency	Go by feel
Objectivity	Closer to the data, open much longer
Deductive	Inductive
Testing Hypothesis	Testing out themes, developing patterns

Table 5.14: A Comparison of Content Analysis and Grounded Theory. (Easterby-Smith, et al, 1991:106)

5.4.1 Grounded Theory: The Gospel According To Glaser and Strauss

The concept of 'grounded theory' can be traced back to the work of Glaser and Strauss (1967). They developed their approach to theory development in response to what they perceived as sociology's overemphasis on hypothesis-testing research at the expense of research that focused on identifying what concepts, and hypotheses could be useful to test in future research (Glaser and Strauss, 1967:1-3). As a result, Glaser and Strauss created an approach, which focused on theory development rather than theory testing. By theory, they meant 'a strategy for handling data in research, providing modes of conceptualisation for describing and explaining' (Glaser and Strauss, 1967:3)

Glaser and Strauss (1967:3) identified five interrelated 'jobs' of theory in sociology. They are:

- To enable prediction and explanation of behaviour
- To be useful in theoretical advance of knowledge in a field
- To be useable in practical applications- i.e. give practitioners understanding and control of their situations
- To provide perspectives on behaviour
- To guide and provide a style for research on particular areas of behaviour.

They also suggest (p.3) what a 'good' theory looks like. It should:

- Provide clear enough categories and hypotheses so that crucial ones can be verified in present and future research
- Be clear enough to be readily operationalised in quantitative studies if appropriate
- Be readily understandable to academics and students in the field and practitioners

In other words, the theory should 'fit' and 'work', i.e. predict, explain and be relevant (p.5).

In their view, the usefulness of a theory i.e. the extent that it fits and works depends, in large measure, on the process by which it is generated. (Glaser and Strauss, 1967:5). They argue that the best way to ensure that a theory meets the above criteria is to discover it systematically through the empirical data. As they point out (p.4) 'theory based on data can usually not be completely refuted by more data or replaced by another theory.' By generating theory they mean specifically (p.6):

> *Generating a theory from data means that most hypotheses and concepts, not only come from the data, but are systematically worked out in relation to the data during the course of the research. Generating a theory involves a process of research.*

Glaser and Strauss (1967:4) contrast the grounded approach with what they refer to as 'logically deduced' theory, i.e. theories 'deduced from a priori assumptions' (p.6). Later (p.14) they describe this as 'theories from the arm chair' rather than the data. Theories, which are not generated, based on the data run the very real risk of the theoretical and empirical worlds being out of match (p.6). The researcher is not going to go into a further debate of the advantages of hypothesis testing versus hypothesis generating research, or the strengths and weaknesses of logically deduced theory relatively to grounded theory. Some of this debate has already occurred at the outset of this chapter during the discussion of research design. In addition, there are plenty of good texts, which address this debate, including Glaser and Strauss (1967) and Easterby-Smith et al (1991). In previous sections an exploratory; hypothesis generating approach to this research has been justified. Therefore, a description of the grounded theory approach will follow. A review of its relative strengths and weaknesses will be discussed. The link to action research and case studies will be described. The researcher will then explain how he applied the basics of grounded theory to the analysis of the data in this case study.

5.4.2 Glaser and Strauss' Constant Comparative Method

At the heart of the grounded theory approach is the 'constant comparative method' in which the researcher looks at the same event or process in different contexts (Easterby-Smith et al, 1991:35; Dick, 1999a:2). This involves comparing initial evidence with evidence collected from comparative groups (Glaser and Strauss, 1991:23). Through a process of constant comparison, categories and sub categories of data begin to emerge, and over time, theories about the categories and their linkages begin to develop (Dick, 1999a:2). In the context of action research, comparison could usefully come across cycles of plan, act, observe, reflect with the researcher gradually building up his theory through each spiral of the process (Dick, 1999a). The process, in the view of Glaser and Strauss (1967:33-34) begins with the data, from which concepts and hypotheses emerge, rather than from existing formal theories and propositions. They explain (p.34-35):

> *To be sure, one goes out and studies an area with a particular sociological perspective, and with a focus, a general question, or problem in mind. But one can (and we believe should) also study an area without any preconceived theory that dictates prior to the research, 'relevancies' in concepts and hypotheses. Indeed, it is presumptuous to assume that one begins to know the relevant categories and hypotheses until the first days in the field are at least over.*

This approach is again consistent with that of many action researchers who prefer to approach the situation with relatively few preconceived notions and theories, preferring to

work with participants to reach new understanding and generate new theories (Dick, 1997a, 1997b; Perry and Zuber-Skerrit, 1992).

Glaser and Strauss (1967:32) distinguish between two types of theory, substantive and formal, which reflect two levels of abstraction ranging from the empirical to the conceptual. They (p.32-33) cite as examples of substantive theory (in sociology) such issues as patient care, race relations, professional education and the like. Concepts such as stigma, deviant behaviour, formal organisation, socialisation, are cited as potential areas for the development of formal theory. In the case of this research, substantive would refer to theory development in the area of benchmarking and best practice transfer, whereas formal theory could relate to areas such as inter-organisational relations, inter-organisational group behaviour, or trust. As Glaser and Strauss point out (p.33) these areas can often overlap. That is, in the process of developing substantive theory, formal theory may also emerge. It is, however, important for researchers to clarify their objectives because the process of arriving at the two types of theories varies (p.33). Glaser and Strauss (p.34-35) also view theory in terms of a progression. That is, from facts and data comes substantive theory, and from substantive theory develops grounded formal theory.

In either case, theory has two primary elements. These are (Glaser and Strauss, 1967:35-40):

- **Conceptual categories and their conceptual properties**- A category is a conceptual element of a theory, while a property is a conceptual element of a category. In this research, a category is preparation. Properties of this category include quality management development and prior benchmarking experience.
- **Hypotheses**- Are generalised relations among the categories and their properties, which arise from the comparison of differences, and similarities among groups.

As above, Glaser and Strauss argue strongly for allowing categories and hypotheses to emerge from the data, rather than attempting to force existing theories on to the data. In their view (p.37):

> *Our focus on the emergence of categories solves the problems of fit, relevance, forcing and richness. An effective strategy is, at first, literally to ignore the literature of theory and fact on the area under study, in order to assume that the emergence of categories will not be contaminated by concepts more suited to different areas. Similarities and convergences with the literature can be established after the analytical core of categories has emerged.*

How the researcher heeded this advice, in the light of the need for a literature review is discussed in the following section.

At the heart of the grounded theory approach is what Glaser and Strauss (1967:101-115) describe as the 'constant comparative method'. It enables the researcher to effectively generate theory grounded in the data. The method involves four stages. They are:

- **Comparing incidents to each category**- This involves the researcher coding each 'incident' in his data into as many categories of analysis as possible. While coding, it is important to compare each incident to previous incidents coded into the same category. As this occurs, the categories and their properties begin to take shape. While coding the data, it is important to stop periodically to reflect on the developing understanding and theory. This reflection can be usefully captured in what Glaser and Strauss (p.107) refer to as a 'memo'. In this study, the category of 'effort' very quickly emerged. An example of an incident related to effort would be a remark made by a participant that they spent approximately one half day between each meeting working on common interest group matters.
- **Integrating categories and their properties**- During this stage the researcher begins to identify the relationships within and between categories. Again, constant comparison of new incidents to old incidents and existing categories is made. For example, it began to emerge that effort was clearly influenced by the participant's perception of the relative importance of benchmarking and the common interest group. This perception of the importance of benchmarking also appeared to be related to the level of quality management development. At the same time, the amount of effort required appeared to be proportional to the level of preparation of the organisation. In other words, there were a number of categories developing, and the relationships within and between the categories were beginning to become clearer.
- **Delimiting the theory**- This involves reducing the categories and reformulating the theory at a higher level. This can make the theory more parsimonious and can enhance its scope for generalisability. It can also start to move the theory from a substantive to a formal level. In this study, the researcher began to limit the number of variables, and look at the implications of the theory. For example, at the highest level, it became clear that output from the group benchmarking process was a function of participants' level of input, the quality of that input, and the efficiency and effectiveness of the group benchmarking process design. At the same time, it became clear that the relationship between output and input was not linear. Instead, it was shaped more like a bathtub. Output exceeded input at relative low levels or very high levels of input. In between these two extremes, the costs of participation seemed to far exceed the benefits. Unfortunately, most organisations were unwilling or unable to provide satisfactory levels of input with which to gain significant benefits from the process. As a result, the effectiveness of the process was very limited.
- **Writing theory**- This involves writing up the 'story' using the coded data, the memos generated during analysis, and the emerging theories so that it can be shared with others in the field and held up to public scrutiny.

Using the constant comparative method increases the probability of developing a complex theory closely linked to the data, that is, a theory that works and fits.

5.4.3 Other Models of Grounded Theory

After reviewing Glaser and Strauss' principal text, the researcher also consulted the work of Easterby-Smith et al (1991:108-113), and Marshall and Rossman (1995:111-117), amongst others. The approaches of these authors were based closely on the work of Glaser and Strauss. However, their approaches seemed to be significantly more accessible (and understandable) thus provided the researcher with more useful guidelines for using grounded theory techniques to analyse the data produced by this study.

These authors also emphasise the importance of constant comparison of data and the importance of letting the theory come from the data rather than applying theory to the data. In addition, they also stress the importance of looking for diversity and disconfirming evidence against which to compare emerging understanding. However, Marshall and Rossman and Easterby-Smith et al, and to a lesser extent Dick, seem less didactic about the use of existing literature and theory both in structuring the collection of data, and later when analysing it. In the view of Marshall and Rossman (1995:112), the researcher should use guiding hypothesis and related literature, developed during the literature review conducted at the outset of the study, to begin the coding process. Dick (1999a:8) suggests that the literature should be progressively accessed as part of the data collection procedures, but admits that most Ph.D. dissertations will embark on the literature review before data collection. Glaser, in later work (1978) also suggests background reading can help make sense of the data, but argues that literature closely related to the field should be avoided because it may constrain the researcher's thinking to existing categories and theories (Dick, 1999a:8) In any case, it seems to be a question of balance and common sense, not letting existing knowledge constrain your thinking, but not ignoring existing knowledge and theory which might help make sense of your own data.

The analytic method proposed by Marshall and Rossman (1995:113-119) has five phases. They are:

- **Organising the data**- In this phase the researcher focuses on becoming familiar with the data. This usually involves reading through the data, doing some minor editing, and possibly arraying the data in matrices, and the like (see for example, Miles and Huberman, 1984), to begin to streamline the mass of information. This step does not appear to correspond with any of Glaser and Strauss" four categories but rather precedes their starting point.
- **Generating categories**- In Rossman and Marshall's view, this is the 'most difficult, complex, and ambiguous, creative, and fun' part of the process. As the researcher begins to play with the data, questioning and reflecting on its meanings, recurring

themes, ideas, patterns and the like, he will through a process of induction begin to develop categories of meaning. The researcher is looking for convergence within categories and divergence between categories. These categories may be 'indigenous typologies' (Patton, 1990:306), i.e. created and expressed by the participants, and 'analyst-constructed typologies (pp.393-400), i.e. those created/named by the researcher. This phase roughly corresponds to the first two stages of Glaser and Strauss' process.

- **Testing the emergent hypotheses against the data**- At this stage the researcher will begin to evaluate his emerging hypotheses, searching through the data looking for evidence, which might disconfirm this understanding. At the same time, the researcher should be reviewing the adequacy of the data in the light of the original research questions posed. These activities would likely fit into stage two of Glaser and Strauss' model
- **Searching for explanations of the data**- This phase engages the researcher in a process of critical reflection. He is looking for alternative explanations for the data and must demonstrate how his explanation is most plausible. This roughly corresponds to Glaser and Strauss' stage three.
- **Writing the report**- In the final phase, the researcher engages in additional analysis and interpretation as the mass of raw data is given final shape. This reflects Glaser and Strauss' fourth stage.

During each overlapping phase, the data is reduced and interpreted by researcher as he builds insight and understanding from the words and actions of the participants.

The third and final model, which the researcher considered, was proposed by Easterby-Smith et al. They suggest a seven stage process for developing grounded theory. These are:

- **Familiarisation**- As above, the researcher returns to the data to re-familiarise himself. This could include re-reading the interview transcripts, or if recorded, listening to the tapes. They describe this stage as essentially exploratory. Like Rossman and Marshall, this step precedes any coding and categorising.
- **Reflection**- Easterby-Smith et al describe this as the stage where desperation may set in. At this point the research should begin to evaluate the data is in the light of previous research the academic literature, and common sense. They suggest the researcher asks him/herself questions such as, Does it support existing knowledge? Does it challenge it? Does it answer previously unanswered questions? What is different? This process is implicit in Marshall and Rossman as part of phases one and two. In the Glaser and Strauss framework, this initial evaluation of the data in the light of the literature would likely be discouraged so as not to 'bias' the researcher's thinking.
- **Conceptualisation**- By this point, some categories of meaning and concepts are becoming clear. Easterby-Smith et al call these 'explanatory' variables. These variables are then tested by going back through the data, methodically as above, looking for internal convergence and external divergence and coding the data.
- **Cataloguing Concepts**- After reviewing the data and confirming the initial concepts, they suggest these concepts be catalogued and linked to the source material, i.e. the interview transcripts.

- **Recoding**- During this step the researcher is effectively testing his original concepts looking for evidence which agrees/disagrees with his initial hypotheses. The original categories and hypotheses will likely be refined during this process
- **Linking**- This involves looking for relationships between and within the concepts, which may lead to the development of a holistic theory. At this point, the researcher is linking his concepts and theory(s) to the relevant models in the literature, providing an opportunity to compare his empirical evidence to that found in the literature. They suggest a first draft of the research at this point, which will enable the researcher to put his ideas forward for public scrutiny.
- **Re-evaluation**- This allows the researcher to build into his thinking feedback from the initial draft. This process may go on several times before the researcher draws a line under it and publishes the final report.

The Easterby-Smith approach is not radically different from either the Glaser and Strauss or Marshall and Rossman method; though, like Marshall and Rossman, it seems to explicitly encourage the researcher to make greater use of relevant literature earlier in the process. For the researcher, the main advantages of the Easterby-Smith et al process were its understandability, practicality and applicability in this research context. The Easterby-Smith process seems to provide enough structure and guidance to give researchers confidence they are conducting the analysis in a 'professional' manner, which is likely to yield theory that fits and works. As a result, the approach adopted by the researcher, described below, most closely mirrors that of Easterby-Smith.

5.4.4 Strengths and Weakness of the Grounded Theory Approach

Many of the strengths of the grounded theory approach have already been touched on above. These include:

- By staying close to the data, the researcher increases the chances of developing theory, which fits and works (predict, explain, and be relevant) (Glaser and Strauss, 1967:5).
- Theory based on data is difficult to completely refute (Glaser and Strauss, 1967:4)
- Using grounded theory approaches reduces the chances of mismatch between reality and the data (Glaser and Strauss, 1967:14)
- It is an 'open' approach which is very good for dealing with transcripts because it implicitly recognises the necessity to make sense of an often large mass of unstructured data (Easterby-Smith et al, 1991:108)
- It avoids the problem of trying to turn rich qualitative data into numbers as in content analysis (Miles and Huberman, 1984:54-55)
- Grounded theory is rigorous in the sense that 1) it is responsive (like action research) to the situation in which it is conducted; 2) it is constantly looking for evidence which will disconfirm emerging theory; 3) it is data driven (Dick, 1999a:3)

There are also potential weaknesses with grounded theory. They include:

- It can be a chaotic and messy process (Easterby-Smith et al, 1991:112)

- By making the analysis more systematic, and consequently more rigorous, it falls into the trap of becoming reductionist, something it explicitly seeks to avoid. By removing the gut feel and intuition, you may loose some of the honesty and meaning (ibid.).
- It doesn't meet the standards of rigour of most quantitative research methods (Glaser and Strauss, 1967; Dick, 2000)

Issue one appears to be a fact of life when doing qualitative research, though as Easterby-Smith et al (1991) note, some methods of qualitative analysis such as content analysis can reduce the confusion, though at a price. The second issue is really a 'quarrel' amongst qualitative researchers. Glaser and Strauss' work is a response to the push for hypothesis testing, verification research, as discussed earlier. It is also a response to 'sloppy' qualitative work and is designed to increase the 'credibility' (p. 290). They explain (p.29):

> *Another way to convey credibility of the theory is to use a codified procedure for analysing data, which allows readers to understand how the analyst obtained his theory from the data. When no codified procedure is used in qualitative analyses, the transition from data to theory is difficult, if not impossible to grasp. Without this linking process in mind the reader is likely to feel that the theory is somewhat impressionistic, even if the analyst strongly asserts he has based it on hard study of data gathered during months or years of field or library research.*

The final issue relates to the fundamental argument between the positivist and social constructionist approaches to research (Easterby-Smith et al, 1991:33). In response to the final issue of rigour, Glaser and Strauss, along with most action researchers (see for example Eden and Huxham, 1996; Dick, 1999a; McTaggart, 1997; Perry and Zuber-Skerrit, 1992; Abraham, 1997) would argue that judgements regarding the rigour only make sense in the light of the methodology for which they were developed. Therefore, applying standards of rigour designed for quantitative, verification/hypotheses testing research to qualitative, hypotheses generating research, responsive/flexible methods, does not make sense. These methods are always likely to fail the quantitative criteria. As Glaser and Strauss argue (1967:225):

> *But in this book we have raised doubts about the applicability of these canons of rigour as proper criteria for judging the credibility of theory based on flexible research. We have suggested that criteria of judgement be based instead on the detailed elements of the actual strategies used for collecting, coding, analysing, and presenting data when generating theory.*

Using a constant comparative method, or process, will enable the researcher to address issues of rigour and credibility, as well as generate theory, which fits and works.

For the researcher, the grounded theory literature had several important messages. They are:

- Qualitative data analysis is a messy, unpredictable, time-consuming process, and enjoyable process, but has the potential to yield useful and significant results.
- Its predictability and the probability of generating 'good' theory can be improved with the use of sound procedures and appropriate reflection.
- The Glaser and Strauss model is intuitively appealing but probably represents an ideal to which the researcher can aspire but is unlikely to achieve.
- The Easterby-Smith et al approach to qualitative data analysis represents a practical alternative. It includes sound procedures, encourages a systematic approach and is readily understandable to budding researchers.
- The researcher, despite the arguments of Glaser and Strauss, would be foolish to ignore existing theory and literature when engaging developing grounded theory, even at the outset. The secret seems to be to strike a balance- do not forget existing knowledge; just do not let it overwhelm your thinking.
- Given an alternative, a first time researcher would probably be wiser to carry out a quantitative study aimed at verification of existing hypothesis. Whilst not as exciting, or having as great a potential to significantly improve action or propositional knowledge, it would have been a hell of a lot easier and less risky to do.

The researcher chose a grounded theory approach to analyse the data for a number of reasons. These included:

- The area of study was lacking in theoretical development therefore an exploratory approach designed to generate hypotheses and conceptual models was chosen. As grounded theory is designed to generate hypotheses, it was deemed appropriate to use in this case.
- Grounded theory fits comfortably with the action research method (Dick, 1999a) used to design and implement the group benchmarking process. Both encourage an 'open' approach to the situation and the data. Meaning is derived from the data gathered from the participants, rather than forced onto participants.
- Grounded theory is also compatible with the case study strategy, and depending on the type of case study can have similar objectives i.e. to generate hypothesis as in an exploratory study of the sort discussed in this dissertation (Yin, 1993:63-72).
- Participant observation, review of documentation, and semi-structured interviews were chosen as the data collection methods. Grounded theory is capable of dealing effectively with the qualitative data generated by these methods.

For the reasons above, the researcher applied a grounded theory approach to data analysis, as described below.

5.4.5 Grounded Theory as Applied in This Study: Stage One

The grounded theory approach applied in this study most closely mirrors the model proposed by Easterby-Smith et al (1991). It was modified somewhat to reflect the researcher's use of an action research method, which encouraged on-going analysis of data

as part of each cycle of plan, act, observe, reflect (Dick, 1999a). Data analysis, in this study, occurred in three overlapping stages. They are:

- On-going data analysis as part of the action research method
- Interview One Analysis
- Interview Two- Final Analysis for Dissertation

Stage one consisted of on-going analysis of participant observation data, which occurred as a natural part of each cycle of action research. Participant observation was supplemented by the review of documentation and informal interviews and discussions with participants and members of the research team. Through reflection and consultation with participants and other members of the research team, the researcher developed new understanding and meaning, which was used to try to improve the design and implementation of the group benchmarking process during its next cycle. In a sense, each cycle developed a 'theory' about what worked, and what should be done differently in the next cycle. The changes were made and the 'theory' was 'tested'. Analysis during this stage could best be described as informal. This type of analysis went on throughout period when the researcher was directly involved in the group benchmarking process. During this time, the researcher was also revisiting the benchmarking literature, not only to help make sense of the data, but also for ideas on how to improve the group benchmarking process. Because of this analysis, the researcher was beginning to develop some simple categories and basic hypotheses, which would prove useful later when approaching the in-depth interview data. In terms of the Easterby-Smith et al model, the researcher was probably in the Reflection stage.

At this juncture, it is useful to mention the role of theory in this research programme. Essentially, it had two roles. The first was to guide the design and implementation of the group benchmarking process. The second was to help understand its impact and the key determinants of impact by providing a rough conceptual framework. The researcher started with a preliminary 'theory' that a group approach to the benchmarking process might work quite 'well'. By work 'well', it was believed that teamwork in the context of a common interest group might make benchmarking 'easier', it might enable participants to get started benchmarking, and it might provide 'support' for their efforts. At the time, the researcher did not know what 'easy' or 'support' or 'helping to start benchmarking' actually meant. It sounded good on paper. This theory was actually 'inherited' by the researcher, as it was contained in the initial research proposal, prepared before the researcher's arrival, which funded this research programme. As the researcher began speaking to potential,

participants and becoming more familiar with the setting, additional theory began to develop. Mainly, this was around what the group benchmarking process should look like. For example, based on conversations with potential participants and review of the benchmarking literature, the researcher began to think that if benchmarking was done systematically, rather than in an industrial tourism fashion, it would be more likely to succeed in discovering better or best practice.

The researcher had no idea whether any of these ideas were sound, as the only experience of trying; them out in practice would enable a judgement to be made. Little theoretical or empirical work had been done in the area of benchmarking networks and common interest benchmarking groups. Most reports available at the time were of an anecdotal nature (e.g. Watson, 1993, 1994a; Boxwell, 1994; Camp, 1995), though they tended to suggest the approach had potential merit. There was little evidence of the effectiveness of these types of initiatives nor what factors influenced their effectiveness. This led to the formulation of the study's two exploratory research questions, which provided very general guidelines for data collection. Despite preliminary 'hypotheses', about the impact, and an understanding of what factors influenced the outcome of regular benchmarking activities, the researcher's mind was open to discover what impact and determinants would emerge from the data as the project unfolded. Neither effectiveness, the key determinants of effectiveness, nor the relationships between the determinants were pre-determined or defined beforehand by the researcher. Instead, the concept and categories developed through the analysis of participant observation (as described above), as well as through the formal application of grounded theory (as described below). The on-going literature review pointed the researcher in the right direction but did not serve to blind him to emerging patterns in the data. It also helped to broaden his thinking, as it branched out beyond best practice transfer to look at the inter-organisation network and group behaviour fields. As understanding progressed and categories and relationships progressed, the researcher used the literature to compare his empirical findings to the theory.

5.4.6 Grounded Theory as Applied in This Study: Stage Two

The second stage of data analysis occurred after the first round of interviews. As described above, each interview could be considered a mini action research cycle, where the researcher pursued issues emerging from initial interviews, during subsequent interviews. After completing this round of interviews (as described above), the researcher took a more

formal approach to an analysis of the data. The analysis was done in order to produce the transfer document described in the previous chapter. This document provided an overview of the research, and a summary of preliminary findings primarily related to the impact of the process though it included a brief discussion of the emerging determinants of impact. The analysis could best be described as grounded theory 'lite'. Analysis was more formal and in-depth than stage one, but not nearly as systematic, as stage three. The study was at its mid-point, and this was effectively an interim progress review to clarify emerging understanding, and identify areas to further explore. The main elements of the researcher's application of grounded theory were:

- **Review the data**- Listen to the interview tapes and transcripts (if available)- Get a feel for the participants' perspective.
- **Reflect on the key themes**- What are the participants saying about the impact thus far? What are their reactions to the process? What are their expectations for the remainder of the process? What factors are influencing the outcomes? The researcher also returned to the benchmarking and best practice literature to help understand the key themes.
- **Conceptualisation**- Review the interview data by listening to the tapes again. Review notes and documents. Clarify the emerging categories of impact. Highlight the emerging determinants. Sketch out preliminary models of impact.
- **Writing up**- Prepare drafts of transfer document. Re-Draft. Review feedback from internal review panel, research team, and from participants.

From this analysis of the data, some key themes, categories and patterns were beginning to emerge which would be followed up, i.e. looking for evidence which confirmed and/or disconfirmed, with further participant observation and during the next set of interviews. These included:

- Outcomes
- Process Effectiveness
- Commitment
- Effort
- Preparation
- Pace
- Process Complexity
- Dynamics of the Common Interest Group
- Co-ordination

For example, some general themes were emerging, and it was becoming clear that outcomes ranged from a modest, 'educational' impact to the discovery of better practice. It was also emerging that benchmarking and the Benchmarking Network were relatively low priorities for the individuals and the organisations they represented. As a result, they were

unwilling to commit significant resources to the project for any period. Participants were effectively 'one-man bands' and could afford to contribute very little time to the Benchmarking Network and the common interest groups. Similarly, they were likely to withdraw their commitment very quickly as the other matters took precedence. The lack of input appeared to be constraining the pace of the Network and later the common interest groups, and therefore, their perceived effectiveness. At the same time, the input required was greater than anticipated, influenced in part by the level of preparedness for benchmarking of the individuals and organisations, which unfortunately was quite low. In other words, participants had to do a lot of extra work to get ready to benchmark, which if they had been more prepared beforehand, would not have been necessary. To compound matters, the group benchmarking process itself was fairly complex, reflecting the researcher's desire to 'do things by the book' to avoid the mistakes of industrial tourism. This also increased the amount of effort required, and clearly frustrated participants, who did not, at the time, appreciate the potential benefits of a structured, systematic approach to benchmarking. The Network and the common interest groups also appeared to be suffering problems of co-ordination resulting from varying levels of effort, different objectives and time scales. This dampened the group's enthusiasm and limited its effectiveness and efficiency. None of these categories had been 'finalised' at this stage. Likewise, the connections within and between categories were only in the development stage, to be revisited in the final round of data analysis.

5.4.7 Grounded Theory as Applied in This Study: Stage Three

Stage three of data analysis began after the second round of in-depth interviewing was complete. This time the researcher employed a more structured, systematic grounded theory approach to analyse both sets of interviews, as well as all the participant observation data and documentary evidence gathered over the course of the study. Again, the researcher followed the Easterby-Smith et al model discussed above. Using this framework, the main activities the researcher used are described below:

- **Familiarisation**- The researcher returned to the original taped interviews, field notes and documents. Notes and documents (including the transfer document) were re-read and organised. All the interview tapes were listened to several times over an extended period.
- **Reflection**- The researcher made partial transcriptions of all the interview tapes. On average, he transcribed about 50% of each interview, compressing the interview data into approximately 300 A4 sheets. The researcher was trying to reduce the data and focus on the two research questions. He also had in his mind the categories that had

emerged during the first two stages of analysis. As a result, the initial categories to be used for coding the data were beginning to emerge. The researcher also (re) accessed the benchmarking, best practice, organisation theory, diffusion of innovation, resource theory, strategic networks, regional development, transactions cost, group behaviour, action research/methodological literature, and tried to compare his initial observations to insights gained from these disparate fields.

- **Conceptualisation**- The researcher went back through the interviews, field notes, and documents and coded the material. He looked for convergence within the categories and divergence with other categories. He was also looking for linkages within categories and between categories. Many scraps of paper and notes were generated by the researcher trying to make sense of the impact, key determinants and the relationships between the variables. He was looking for a model of the effectiveness and the key determinants. He compared his understanding with the relevant literature.
- **Recoding**- The researcher returned to the data. He started with effectiveness- looking at expectations, identifying the criteria of effectiveness, the extent to which learning was transferred across participating organisations, and investigating whether the group benchmarking process 'supported' participants' benchmarking efforts. He looked at the evidence for each participant, gathering quotes from interviews, and reviewing other supporting evidence. The researcher then looked at the key determinants. A number of key determinants, i.e. categories had emerged. The list included: prior knowledge/preparation, process complexity, CIG process losses, effort, pace, facilitation and support. The researcher went back through the data repeatedly, coding, looking for evidence to confirm or disconfirm. He compared data across cycles and across iterations of the process. He compared across common interest groups and participants, and with another local quality networking initiative. He also compared his understanding to the literature. Gradually the categories became clearer, though at this point, how they linked together was not altogether clear.
- **Linking**- During this stage the researcher began to make the connections between the determinants and effectiveness, as well as between the determinants. Again, this involved returning to the data, reviewing the literature, and constant review of emerging hypotheses. The researcher began to develop a model of effectiveness and the key determinants of effectiveness.
- **Re-evaluation**- This involved extended dialogue between the researcher and members of his supervisory team. This helped to finalise the proposed model of effectiveness and key determinants.

The final model is presented later in this dissertation. The researcher believes that because he worked systematically through the data using an accepted method for developing grounded theory, he has developed a model, which both fits and works. The reader will be the final judge of this claim.

5.5 Summary

This chapter has described the use of an action research method within an exploratory case study. It has justified this combination of methodologies on the basis that the case study and action research methods share much in common, including an emphasis on investigating phenomenon in their real life context, their often qualitative nature, the lack of

control of the researcher, as well as their descriptive and specific nature. Validity was enhanced by using multiple methods of data collection (i.e. participant observation, review of documentary evidence, and in-depth interviews) and multiple researchers. This enabled triangulation. Validity was further enhanced through review of initial findings and emerging insights by participants, external parties, and 'critical friends'. Reliability was addressed by providing a detailed description of how the case study was carried out, which would enable other researchers to carry out similar studies. The data collection and analysis methods (development of grounded theory), which were used as part of the exploratory case study research design, were also described and their use justified in this context.

In the Chapter, which follows, the researcher begins the task of answering the research questions related to the effectiveness of the group benchmarking process. This task begins with a review of participation rates at each key stage of the group benchmarking process.

CHAPTER SIX

Participation Rates

The previous Chapter described how an action research method was used in the context of an exploratory case study to design, implement, and refine an intervention strategy called group benchmarking. It also outlined the techniques used by the researcher to collect and analyse the data, which would enable him to answer the research questions. This Chapter begins the process of answering the research questions:

- Was the group benchmarking process an effective method of finding best practice?
- What are the key determinants of the effectiveness of the group benchmarking process?

The research questions are answered in stages over the course of Chapters 6 to Nine. The organisation of these four Chapters is as follows:

- **Chapter 6**- Reviews the extent to which participants were involved in the group benchmarking process. The discussion concentrates on participation rates at each key stage in the process, giving the reader a broad overview of the relative 'success' of the group benchmarking process in terms of actually getting organisations involved, and in some cases, 'benchmarking' as part of a common interest group. This serves as a prelude for determining whether the process can be an effective means of finding best practice.
- **Chapter 7**- Examines the outcomes of the group benchmarking process for 'active' participants in the process, focusing particularly on the common interest groups which attempted to business process benchmark. Outcomes for organisations, which did not participate in the common interest groups but did not drop out of the process, are also reviewed. The question of whether the group benchmarking process was an effective method of finding best practices in this case study is answered.
- **Chapter 8**- Discusses the factors which determined the effectiveness of the group benchmarking process and proposes a model of the determinants of effectiveness which can be tested by future researchers using other methodologies. It also examines some of the fundamental issues and questions related to a group benchmarking approach to business process benchmarking.
- **Chapter 9**- Provides a summary of the research and discusses the conclusions reached about the two research questions. It outlines the main contribution this study has made to knowledge in the area of benchmarking and benchmarking networks. It also provides guidance to policy makers, practitioners, and researchers working in these fields, and suggests areas for further research.

The remaining Chapters of the dissertation review the relative 'success' of the project, the key lessons learned, and provide a summary, conclusions, and suggestions for further research.

As illustrated in Chapters 1 & 3, there is little identifiable material, empirical or theoretical, which specifically examines benchmarking networks and common interest benchmarking groups. While it has been suggested by Watson (1993, 1994a), Camp (1995), Andersen and Camp (1995) and other leading benchmarking authorities, that these approaches to benchmarking can facilitate the benchmarking process, they provide little empirical or theoretical evidence to support their conclusions. Until this research was undertaken, neither the researcher, the participants, nor the benchmarking experts had any sound empirical evidence of either the effectiveness of a common interest group approach to benchmarking, or its key determinants. The findings presented here will begin to remedy this deficit of knowledge. They will also:

- illustrate the researcher's and the participants' new understanding of the effectiveness of the group benchmarking process
- provide a useful, practical case study for practitioners involved in the area of common interest benchmarking groups and inter-organisation best practice transfer
- guide future researchers wishing to examine in greater depth different aspects of effectiveness or the key determinants of effectiveness.

6.1 The First Hurdle: Seven are Off

As discussed in Chapter 2, the impetus for this research came from the Best Practice Club (BPC) members who wished to take the Club a step further- from industrial tourism to benchmarking. That is not to say that all twenty eight Club members had expressed a desire to participate in the Benchmarking Network, only that 28 organisations were approached (via telephone or in person) to gather input for the project design phase and to gauge interest in participation. At this time, the researcher did not attempt to recruit beyond the BPC as it was believed that an adequate level of interest existed within the Club to make the Benchmarking Network a viable initiative. The researcher also did not believe that he could manage a group much larger than the Club's 28 members. There was little indication from the participants (or from the benchmarking texts) to suggest that the 'drop out rate' would necessarily be significant. At this time, the researcher believed the assertions of benchmarking authors and enthusiasts that most companies were benchmarking. He, therefore, assumed people would not have too much trouble with the group benchmarking process.

Twenty one organisations (21) or 75% of the possible Best Practice Club members took the initial step towards benchmarking by attending an organisational meeting during which the details of the project including the approach to the benchmarking process, key steps,

timings, cost, support, etc. were discussed. (See Figure 6.1) In total, 46 people attended the four introductory organisational meetings, as illustrated in Table 6.2. The meetings should have given participants a fairly clear idea of what they might be letting themselves into in terms of time commitments, resources, and the like. Step 2 in the process, a Protocol Meeting, took place about one month after these initial meetings. During this session, a Code of Conduct, Organisational Structures, and the membership of the Steering Committee were approved. 21 people representing 15 of the organisations attended this ½ day meeting. This represented just over 71% of the organisations, which had expressed a clear interest in the process by attending an organisational meeting, or 50% of the initial pool of potential Network members.

The drop off from 21 organisations to 15 in the space of one month began to cause some concern, as there was a question in the researcher's mind as to the number of common interest groups which needed to be formed, and subsequently studied, in order to draw reasonable conclusions about the effectiveness of the process and the key determinants. These concerns prompted the researcher to re-contact those who had not attended to attempt to drum up some new enthusiasm. To some extent, the concerns were unfounded as three of the organisations picked up the process again at the next stage, and had simply been unable to attend this session. Of the three, which exited the process permanently, two did so because the main point of contact for the Best Practice Club and Benchmarking Network left the organisation. The initiative died with their departure. In the third organisation, a founding member of the Best Practice Club, the primary BPC representative had changed recently, and the new point of contact did not have a strong connection to the University. They decided that there would be limited benefit to their organisation, and withdrew. As far as the researcher was concerned, the process was still on track at this point. There was still a critical mass of Network members, and the 15 organisations on board were apparently eager to proceed. In fact, several were concerned that the project was proceeding at too slow a pace, and urged that the process pick up speed.

6.2 Project Selection- Dropping Like Flies

As Figure 6.1 illustrates, fifteen (15) organisations from the original BPC reached the third milestone in the process by providing information for the Network Directory. This did not commit the organisation to join a common interest group, but it did indicate that they would be willing to share information with other members of the Network. The actual commitment

of time and resource could still be very limited. As information about the organisations was being gathered, a project selection process was designed by the researcher. (The process is discussed in detail in Chapter 4.). The process began in early August. By late September, it was very clear that few, if any, participants would actually complete the worksheets.

The selection processes was deemed far to complex and to require far more effort than individuals were willing or able to expend to get started benchmarking. This view of the project selection process is captured quite nicely in the quote below:

> *I personally believe with hindsight that you were right to give us those, and were right to force us, to coach us through that process. But what switched everyone off was just how much investment you had to put into that, and most people shied away from that because it meant work.'...There seemed to be an awful lot of paper. The feedback I was getting was- 'We know what we want to improve, can't we just list that down?. And of course, the outcome of that was- we don't bloody know what we want to improve because we haven't really thought about it. Those pieces of paper you sent were actually a great way to get us thinking about it.*

Unfortunately, whilst a structured project selection process may work for organisations which are relatively experienced in terms of benchmarking and quality management, the systematic approach to project selection fell flat with a group of inexperienced benchmarkers, who in some cases were at the beginning of the quality journey. In hindsight, though some participants may have recognised the potential value of a structured approach, they could not devote the time necessary to do it in the time allocated during the project. Unfortunately, in real time, most participants viewed the project selection process as unnecessarily complicated, resulting in too much paper work and bureaucracy. As one participant, wrote when explaining why he had not completed the worksheets:

> *The depth of information required to complete the (project selection worksheets) is significant and, I feel, is unlikely to be seen as relevant to a benchmarking process. For that reason, I have not completed them...I fear that if the project is made overly complex and bureaucratic it will fail to capture a widespread interest. I feel more emphasis should be placed on making the exchange of information/data as painless as possible- documentation to date does not indicate this to be the case.*

No one actually completed the worksheets, though several participants claimed to use the framework they provided to help create their list of potential projects.

MILESTONES	NO. OF ORGANISATIONS	CHANGE
START ◄	***28 Best Practice Club Members***	***Change***
Organisational Meetings	***21***	***-7***
Protocol Meeting	***15***	***-6***
Directory Entry	***21***	***+ 3 Original +6 New Recruits -3 Original +6 Net***
Project Selection	***13***	***-8***
Exchange Meeting	***12***	***-1***
Established a CIG @ Exchange Meeting	***11***	***-1***
Met as a CIG	***9***	***-2***
Participate in CIG	***6***	***-3***
2nd Exchange Process	***14***	***+4 CIG Veterans +3 Original Participants +7 New Members***

Figure 6.1: Participation at Key Stages of the Group Benchmarking Process

6.3 Simplifying the Process and Bringing in Some Fresh Horses

The lack of response to the worksheets led the researcher to simplify the project selection process. A new set of forms was produced (see Appendix 10). These simply asked participants to list areas they wished to benchmark and to note their recent achievements. The logic behind including recent achievements was to help organisations identify potential benchmarking targets or role models. Achievements were deemed good indicators of where an organisation might have particular strengths from which other Network members could learn.[xc] Only nine of the original 21 (43%) organisations, which began the group benchmarking process, actually selected potential benchmarking projects.

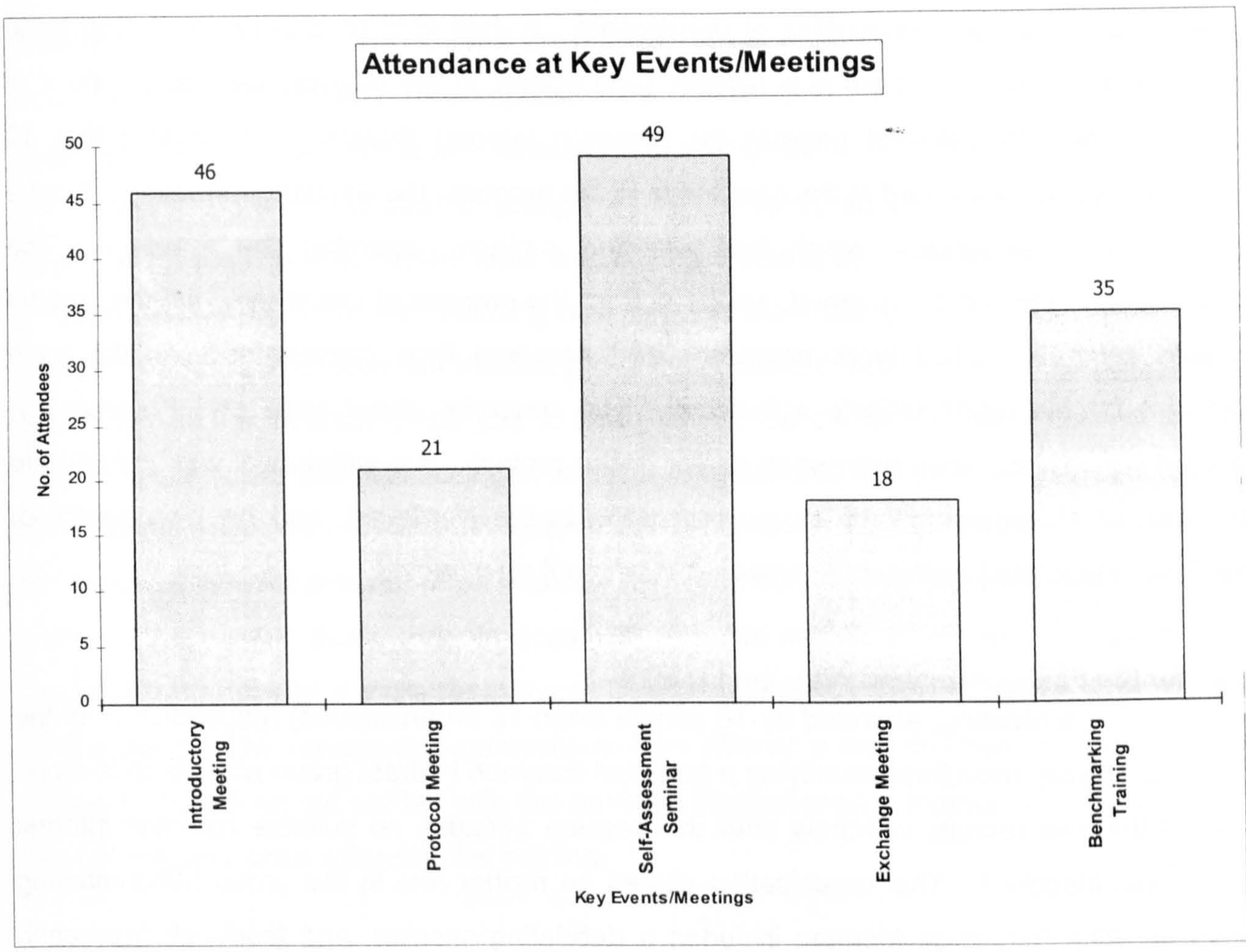

Figure 6.2: Attendance at Key Meetings

Over 50% of the original group had dropped out at this point. This shrinking critical mass alarmed the researcher, who was concerned about the practical viability of project, as well as the implications for the planned research programme. The project had consumed over ten months of the researcher's time and effort. It was way behind the schedule (both in terms of practical and research outcomes) he had initially envisaged, and the number of participants had dropped from 28 possible to 21 probable to 15 semi-committed to only nine ready to go forward to benchmark. Within the remaining group, there was frustration at the slow pace of the project and the likely amount of work, which would be required. At the rate organisations were dropping out, the researcher was not optimistic that anybody would be left to actually do any group benchmarking, that is if the project ever got to that point. The primary reason given for dropping out of the process was the inability and/or unwillingness to provide the resource to adequately address the workload required by the Benchmarking Project. It appeared that many participants had reached their threshold of pain, and had decided that the 'cost' of participation outweighed the 'benefits'.

At this point, the researcher took the decision to recruit additional organisations to the network to ensure a critical mass of participants. A mail shot of approximately 150 large local organisations netted six new recruits (and entries in the Network Directory). Four of the six submitted potential projects for common interest groups. This meant that 13 organisations went forward to the next stage in the process- the Exchange Meeting. Twelve of the 13 organisations, which had selected projects, attended the meeting. The organisation, which did not attend, withdrew from the process at this stage, with the contact person citing increased work pressures and personal time commitments as the main reasons for his organisation's withdrawal. His concerns about pace and bureaucracy, quoted above, had been expressed earlier in the project. The withdrawal was unfortunate because of his organisation's strong reputation in the Northeast, and his own wealth of quality management experience, however, it was not unexpected.

6.4 The Exchange Process- Why am I Here?

The Exchange Meeting, attended by 18 people (from 12 organisations) resulted in 11 of the 12 remaining organisations identifying a potential common interest group with which to work. One of the new recruits withdrew after the session because no suitable common interest group was identified. This organisation played no further role in the group benchmarking process. The Exchange Meeting included a debriefing session, and feedback from each participant was recorded on video tape, and is summarised in Table 6.2 As the Table illustrates, there were still concerns about the pace of the project and the process being used. Many were waiting until the common interest groups got underway before passing judgement on the value of the whole exercise. The quotes also illustrate that several participants were concerned whether the process used on the day actually led them to choose the 'right' common interest group. One of the participants who voiced this concern had struggled during the session to rationalise his initial list of 23 projects down to one or two to take further in the form of a common interest group. His dissatisfaction with the process used on the day most likely reflected his own failure to adequately prepare in advance of the session, and his frustration with trying to prioritise 'on his feet' on the day, with no other support from his organisation.

The exchange meeting raised an issue, which surfaced repeatedly over the course of the Project. That is, what were the organisations' objectives when they decided to participate in the group benchmarking process? Was it to learn how to benchmark? Alternatively, was it

to use benchmarking to improve a key aspect of their business? Clearly the two are not mutually exclusive, and the relative importance of each of these objectives varied from organisation to organisation. The implications at this stage in the process were fairly simple. Organisations that were primarily interested in learning how to benchmark, were not terribly concerned which common interest group they ended up in, so long as there were enough other companies interested in the topic to make it a viable option. For those more interested in business improvement, with learning how to benchmark being a positive by product, the choice of projects and common interest groups was more difficult. There was little point in joining a common interest group just to learn how to benchmark. It also needed to be a project, which could add real business benefit. This seemed to make the selection process more difficult for some participants. Differences in objectives caused difficulties again during the common interest groups, when organisations with very limited objectives expended only limited effort, whilst those organisations with greater ambitions wished to expend more resource and move at a more rapid pace. The problems this caused are discussed further in Chapter 5. The remaining organisations were offered a one day benchmarking training course to help them get started with the common interest group process. In total, 35 people from 10 organisations attended the training.

6.5 Common Interest Groups Iteration One

The next milestone in the process was the first common interest group meeting. Nine organisations out of the 11, which left the exchange meeting with a common interest, actually held an initial meeting. Two organisations, which between them had identified four potential common interest groups, never took the first step. One remained nominally in the Network, but never became involved in a common interest group. The other disappeared from the Network and Best Practice Club altogether. The reasons for their failure to make a start are discussed below in the individual organisation case studies. A common interest group focused on 'Business Development', consisting of three organisations, met once and decided their interest was not actually common.

The remaining six organisations formed into two common interest groups. One looked at 'Managing Change', the other examined 'Measuring Customer Satisfaction'. One organisation effectively dropped out of the Managing Change group, as the individual participating in the common interest group left the organisation. This organisation was also represented on the Customer Satisfaction group, and their involvement in this group was

maintained. The measuring customer satisfaction group consisted of five organisations, three manufacturing and two from the service sector. They managed to meet as a group ten times over nearly a ten month period. All group members completed the process, though the level of participation tailed off considerably in all but one case. The managing change group was comprised of four organisations, evenly split between manufacturing and service. They began about the same time as the other common interest group, but did not complete their work until January 1996. Again, the level of participation was variable, with one organisation dropping out about halfway, and another providing little input for a significant part of the exercise due to other commitments. In total, six organisations completed the journey through the first iteration of the group benchmarking process, which began with formation of the Network and concluded with the completion of the common interest group process. In total, participants (with the exception of those that joined prior to the Exchange Meeting) had been involved for nearly 18 months. The outcomes from these groups form a key part of the discussion in Chapter 7.

6.6 Common Interest Groups- Iteration Two

Iteration two of the group benchmarking process began as the first common interest groups concluded their work. Seven new organisations joined the Network. Four veterans of the common interest group process came back for a second iteration. They were joined by two Network members that had not been involved in a common interest group, but had played a minor role in the first iteration of the group benchmarking process.

Knowledge gained from the first iteration was used in establishing the common interest groups and the facilitation of the common interest group process. The process was streamlined as the initial setting up stages had already been done. New members were asked to complete a Directory Entry and to sign up to the code of conduct. To facilitate the formation of common interests, NBS sent participants a list of processes from which they could chose benchmarking projects. (See the Appendix for a copy of this form.) When the forms came back, NBS prepared a preliminary list of common interest groups[xci]. Participants were invited to an exchange meeting during which time they were given further information about the CIG process and were given the opportunity to meet with other potential group members. NBS also made an effort to ensure that participants fully understood the potential time commitments of group benchmarking and had sufficient support within their organisation to honour those commitments. In total 13 organisations

dichotomy between the actual outcomes and the researcher's expectations, it makes sense to ask whether the researcher's expectations were reasonable.

In hindsight, the researcher's expectations were based on ignorance and overconfidence regarding his own ability to recruit and retain participants, and the participants' willingness and/or ability to benchmark as part of a common interest group benchmarking network. The researcher had no previous experience in the field of benchmarking or total quality management, had few contacts in the Northeast, and had no practical experience of project management in a research or industry context. In retrospect, if you assume a realistic drop out rate of 80%, you would have needed to recruit nearly 100 organisations in order to get 20 willing and able participants. For a one man and his dog, operation as if the one described here, this was not a viable task. There were simply not enough resources available to operate the Network on such a large scale. Furthermore, even if the researcher had managed to facilitate 20+ organisations to the stage of common interest groups, it is unlikely he could effectively facilitate the 5-6 groups, which might be formed.

The researcher's expectations were further fuelled by participants' own ignorance and overconfidence about their own personal and organisational willingness and ability to benchmark. The Best Practice Club members recruited for participation in this research programme had, in most cases, no previous business process benchmarking experience. To make matters worse, most (though not all) organisations had just begun the quality management journey. The individual participants had little understanding of business process benchmarking, including the time and resources necessary to do it effectively. They did not really understand or accept the significant difference in resource requirements of the industrial tourism approach of the Best Practice Club versus the business process benchmarking approach of the Network. An excellent example of the relative ignorance of participants in the area of benchmarking was provided by one individual who was initially intent on making quite rapid progress through the common interest group benchmarking process. His primary concern at the time was that few organisations within the Network had the willingness and/or ability to keep pace with him. Shortly after expressing these concerns in a public forum (the Exchange Meeting), the individual attended a five day benchmarking course, which enabled him to gain a thorough understanding of the benchmarking process. The course provided a 'Damascus-like' experience as illustrated in the quote, which follows:

played an 'active' role in round two of the group benchmarking process. Five common interest groups were formed:

- Managing Customer Complaints
- Preventative Maintenance
- Recognising and Rewarding Employee Performance
- Ensuring Employee Involvement
- Measuring Customer Satisfaction

These groups were facilitated (to greater and lesser degrees) by members of the Business School. The second iteration of the process lasted, in most cases, about eight months.

The original research design called for a comparison across iterations one, two, and three of the group benchmarking process. Because iteration one proceeded far slower than originally anticipated, but yielded ample research data, this plan was scrapped. The decision was taken to limit the study to one iteration of the process and a brief discussion of how iteration two was designed to take account of the learnings from round one. This also helped to keep the scope of the research to a more manageable level. Whilst the outcomes of these common interest groups are not included as a formal part of this study, it is worth noting that round two of the common interest groups resulted in outcomes and impact very similar to those described in the individual case studies described below. However because the initiation phase was short, the project selection process more streamlined, and clearer expectations were set, all those that selected a project, actually got involved in a common interest group. Not all stuck with the common interest group until the end, though most completed a majority of the process. Whilst the process moved at a relatively quicker pace than iteration one, the total amount of time and effort put into the common interest groups by participants (both in terms of formal meetings and preparation) was about the same as iteration one. They simply left less time between sessions, and consequently their effort was more concentrated.

6.7 Expectations and Reality

Nearly two years was spent trying to help organisations to benchmark. In the end, there did not appear to be much to show for it. It was a long, frustrating period during which very little seemed to be accomplished. The researcher's expectations at the outset were very high. He wanted to get 20+ organisations benchmarking in 5-6 common interest groups in the first round. He was looking for two, possibly three iterations of the process over a 24-30 month period. Neither the numbers nor the time scales were achieved. In the light of the sharp

You could say that I have come away (from the benchmarking training course) a chastened individual...I would readily accept that the process can't be treated in the cavalier fashion we were intent on treating it...Having been on the side of the fence we are now on, and having set an internal target to get to the other side of the fence, and treating benchmarking in a responsible and professional manner, my guess is that if I look back across the fence at people who want to do benchmarking but who are doing what we tried once to do, and hope we won't do again, that is to treat it as a piece of industrial voyeurism, our response would be very strongly negative. Having made that transition (from voyeurism to professionalism) we recognise the work involved both ways.

Unfortunately, many participants believed they could do justice to benchmarking with the commitment of a few hours each month, just as they could with the Best Practice Club. To make matters worse, those that recognised the resource requirements found it difficult to get other members of their own organisations involved in the Network. The quote below illustrates clearly the difficulty many participants encountered when trying to marshal internal support:

At the moment, benchmarking is treated as an extra-mural study course for those that are interested. Something we do because we want to do it. If there's benefit to the company, all well and good. It is part of the way those staff that are committed to the company can develop their careers. But there is no formal internal structure, nor formal approach. It is all ad hoc...They (the Company Directors) simply said- This must be done externally (i.e. outside of normal working hours). If they had said it was going to take 8 hours a week, and we will give you 4 hours of normal working time and the other 4 will be your own, the people there would have accepted it. Because they said it all had to be in your own time, it was felt there was no commitment to doing it, and therefore no purpose for doing it.

In more ways than one, it was a case of the blind leading the blind- a researcher with unrealistic expectations about the outcomes leading a group of participants with unrealistic expectations about the resources required to benchmark effectively. At the front of the parade was a supervisory team which combined inexperience with benchmarking with overconfidence about how easy it would be to achieve 'success', and who had very little time to devote to the process when difficulties emerged.

The benchmarking literature did little to disabuse the researcher (or the participants) of their initial expectations. Unfortunately, the literature is relatively silent in the area of common interest benchmarking groups. It simply does not adequately address the difficulties surrounding a common interest group approach to benchmarking. Whilst Kunst et al (1996:21) discuss the concept of a 'threshold of participation' they do not actually discuss the issue of dropouts, or what a network organiser should expect. In fact, they note that most of the networks studied do not actually evaluate the results achieved in any formal manner. In addition, their study was focused on quality networking in general, rather than

specifically on benchmarking within common interest groups. Cleveland (1995, 1995a) is also silent on this point. He discusses the benefits of the two networks he studied, but again does not address the question of dropouts. As a result mainly of timing, any insights provided by the work of Cleveland or Kunst et al were not particularly useful when designing and implementing the group benchmarking process, though they became more relevant when trying to understand the results of the group benchmarking process and the key determinants.

At the outset of the research programme, the popular press (see for example Coopers and Lybrand 1994, 1994a) indicated that 'everybody' was doing benchmarking. This led the researcher, and the participants, to assume, erroneously, that benchmarking would be relatively easy, and that benchmarking, as a group would actually make the process easier, rather than more complex. With the benefit of hindsight, it was probably more accurate to say that everybody was talking about doing some benchmarking, rather than actually doing it. Unfortunately, this researcher did not take adequate notice of Watson (1993) who suggested that most benchmarking was 90% inspiration and 10% perspiration, rather than the reverse, which was required to do it effectively. This researcher did not take into account Watson's message until well into the research programme, when his own experience mirrored that of this far more experienced benchmarking expert. Few participants in this research project actually broke a sweat. In most cases, benchmarking was of the inspirational, rather than perspirational variety.

The anecdotal evidence regarding benchmarking networks, which began to emerge as this research progressed, confirmed the researcher's fear that his initial expectations were well off base and that the common interest group benchmarking process could be fraught with difficulties. Unfortunately, these difficulties had not been captured in any published empirical research. For example, at the time of this research programme Cranfield University operated a logistics-focused benchmarking network. The commercially run, Benchmarking Centre, based in Hemel Hempstead, also came into existence at about the time of this research. The researcher also came across a group called the 'Finance Roundtable'. Whilst other initiatives certainly existed, researcher knew these initiatives as the project progressed, and were considered reasonably similar in nature to provide valid benchmarks. The Cranfield venture folded as members lost interest and Cranfield staff found it difficult to generate continued enthusiasm[xcii]. The Finance Roundtable experienced

difficulties similar to those described in this dissertation, particularly those encountered by the common interest groups.[xciii] The Benchmarking Network was not particularly forthcoming about any difficulties it encountered with the common interest group approach to benchmarking. However, personal conversations with individuals associated with, or involved in the Network, indicated that it faced similar problems to those described in this dissertation. They were, however, fortunate to have far more extensive resources available than this researcher, to address the difficulties they encountered. Interestingly, the Network changed hands at least twice in the last several years, which may indicate the true extent of the challenges it has encountered. In summary, the anecdotal evidence which began to emerge at the time of this research programme, help to confirm what the researcher began to suspect: the common interest group benchmarking process can be fraught with difficulties. Many organisations will drop out of active participation before ever getting to the stage of common interest benchmarking. Without a considerable commitment of time and resource, from both the participants and the facilitator, the process will struggle to retain participants.

6.8 Summary

Figure 6.1 above and Table 6.1 below provide a summary of the participation rates over the course of the group benchmarking process. As the figure clearly illustrates, the drop out rate as the project progressed was significant. From a starting group of 21 Best Practice Club members only five organisations (approximately 24%) completed the process of benchmarking as part of a common interest group. Of the six organisations, which joined the process at, mid-point, only one (approximately 17%) actually completed the process. Overall, only 6 out of 27 (approximately 22%) organisations, which participated in the project,[xciv] actually worked as part of a common interest benchmarking group.

The outcomes achieved by the six organisations, which participated in the common interest groups, are the primary subject of the next Chapter, which examines the extent to which participants were successful in finding best practice.

1	2	3	4	5	6	7	8	9	10	11	12
	Original Best Practice Club Members- As of 1/94	Organisational Meeting	Protocol Meeting	Directory Entry	Project Selection	Exchange Meeting	Established a CIG	Participated in a CIG	2nd Iteration CIG	No. Activities	% Activities
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		1	1	1	-	-	-	-	-	**3**	**37.5%**
		1	-	1	-	-	-	-	-	**2**	**25.0%**
		1	-	-	-	-	-	-	-	**1**	**12.5%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		1	-	1	-	-	-	-	-	**2**	**25.0%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		1	1	1	1	1	1	1	1	**8**	**100.0%**
		1	1	1	1	1	1	-	1	**7**	**87.5%**
		1	1	1	1	1	1	-	-	**6**	**75.0%**
		1	1	1	1	1	1	1	1	**8**	**100.0%**
		1	1	1	-	-	-	-	-	**3**	**37.5%**
		1	-	-	-	-	-	-	-	**1**	**12.5%**
		1	1	-	-	-	-	-	-	**2**	**25.0%**
		1	1	1	1	1	1	1	1	**8**	**100.0%**
		1	1	-	-	-	-	-	-	**2**	**25.0%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		1	1	1	1	1	1	1	-	**7**	**87.5%**
		1	1	-	-	-	-	-	1	**3**	**37.5%**
		1	1	1	1	1	1	1	1	**8**	**100.0%**
		1	-	1	-	-	-	-	-	**2**	**25.0%**
		1	-	-	-	-	-	-	-	**1**	**12.5%**
		1	1	1	-	-	-	-	-	**3**	**37.5%**
		1	1	1	1	1	1	-	-	**6**	**75.0%**
		1	1	1	1	-	-	-	-	**4**	**50.0%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		-	-	-	-	-	-	-	-	**0**	**0.0%**
		21	**15**	**15**	**9**	**8**	**8**	**5**	**6**	**87**	**51.8%**
		75.0%	**71.4%**	**71.4%**	**42.9%**	**38.1%**	**38.1%**	**23.8%**	**28.6%**	*	*
	** of original BPC Members	*which attended Organ. Meeting	*	*	*	*	*	*	*		

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Table 6.1 Organisations Represented at Key Stages of the Group Benchmarking Process

CHAPTER SEVEN

Did Participants Find Best Practice? Was the Process Effective?

The previous chapter examined participation rates at each stage of the group benchmarking process. It illustrated that only a small fraction of the organisations, which began the group benchmarking process, actually completed the cycle. It also highlighted some of the fundamental difficulties, which were encountered during the project. This Chapter focuses on the outcomes achieved by participants, particularly those who played an active role in the two common interest groups, the primary vehicle for finding best practice. The Chapter then addresses the question of whether the common interest group process in this case was an effective method of finding best practice. In addition, issues of implementation and knowledge transfer are also addressed.

The Chapter is divided into six main sections. Section one presents a series of brief case studies, which describe the outcomes achieved by participants in the common interest groups. Section two follows a similar style but focuses on the organisations that were not directly involved in the common interest groups. Where possible, the participants' own words are used. As discussed in Chapter 4, the researcher made the decision not to try to reduce this rich qualitative data down into numbers, which could be more easily/economically, displayed in tabular form. Whilst data in textual form may prove more taxing to the reader's concentration, it will enable him to verify the validity of the conclusions drawn by this researcher, as well as to draw his own inferences from the text. The companies and individuals, as mentioned previously, have been disguised as much as possible. Additional information about individual participants and the organisations they represented can be found in Appendix 17. Section 3 briefly reviews participants' expectations for the group benchmarking process, while section four summarises the outcomes achieved by participants. Section 5 discusses the effectiveness of the group benchmarking process, while the issues of implementation and knowledge transfer are addressed in section six.

7.1 Common Interest Group Members

This section examines the outcomes achieved by organisations that participated in the common interest groups. Several organisations, i.e. Western Engineering, Council Facilities Management, and Northern Hospital participated in both the Managing Change and the

Measuring Customer Satisfaction common interest groups. The remaining organisations participated in only one of the two groups.

7.1.1 Western Engineering

There is little evidence that Western Engineering actually discovered any best practices as a result of participating in the two common interest groups. According to Manson, there was actually little expectation that the group would discover best practice. There is, however, evidence that participation in the common interest groups did enable Western Engineering to discover better practices. For example with regard to the managing change group, Stevens stated:

> *The biggest impact was the one interview with Dickson[xcv]. I have learned that it is pretty difficult to get a group to move along with no leader, but I have probably known that beforehand anyway. This has just illustrated the point further. It's reinforced that without management commitment things aren't going to move very fast. Again, I knew that beforehand. I've learnt new ideas. Peter Dickson' idea that if you are going to change things get a sceptic in the group. Persuade him and he will tell his mates. Loudmouths, get them involved. They will pass on the good news. Try and convince people who are normally sceptical of anything. Use them to your advantage. Don't try to beat them, involve them. The interview gave me the chance to ask him things, which he had spoken about when I saw him at Kielder. That is the time I learned the most.*

Though he could not quantify the impact of these practices, Stevens was clearly able to pinpoint specific good practices, which could be implemented in the event that he might become involved in a major change programme.

Whilst he had difficulty quantifying the impact, Manson, as the quote below illustrates, also believed that the common interest group had helped to identify better practice, which would lead to improvement in the process of measuring customer satisfaction. He also noted that the common interest group had taught him something about working with other organisations. Manson stated:

> *I think the Common Interest Group was useful. I think there will be things that we have learned and perhaps things that we cannot really quantify that we have learned from there. You cannot say totally that we learned how to do the questionnaires from the group, it helped. Things that we weren't particularly aware of having learned would have been put into that. Irrespective of all of the things that we perceived were the shortcomings of the Common Interest Group, it doesn't take away from the fact that it made us think about working with other people. It made us think about how to prepare questionnaires. It made us think about what information we actually wanted or needed. It was all there but I would find it difficult to say that that particular bit came from there. What may have suddenly come on as a bright light when you are preparing your own questionnaire may have had 95% of it's input in the Common Interest Group, but it was never perceived. It has just come to fruition outside of that environment. I think, as a process it was useful, but I would find it difficult to quantify. If I thought that I had learned nothing from it I would tell you, I would have stopped coming, I would have dropped out. I think it taught us lots of things about trying to do*

Customer Surveys, trying to find best practice. It also taught us things about working together with other companies.

Smith, who was not as closely involved in the common interest group as Manson, was not as optimistic about the impact as Manson. He stated:

Specifically on customer satisfaction, probably not a great deal. I think we got something out of it but not a great deal. If you say how has that helped us in a wider sense, obviously as I said, there are other areas where we believe benchmarking has applications that are useful to us and obviously we would not make the same mistakes again. If you do not make the same mistakes as we made last time, obviously, I have no doubt that we will make mistakes, but if we don't make the same mistakes as last time we would be much further forward in doing a similar exercise on another topic.

One area that all four Western Engineering participants, particularly Smith, Manson and Stevens agreed on was that the common interest group experience had taught them a lot about the benchmarking process. For example, as Smith commented:

I think we would now realise that you have to go into it in a measured way that you are absolutely conscious of what you have got to do. You have got to plan it out better, you have got to put a programme in place for it and do it in a progressed way rather than haphazardly pick at it...I think we will be more careful where we use it in future.

The experience also taught Stevens several valuable lessons about the benchmarking process, as the following quote clearly illustrates:

I would have been an industrial tourist had we not had the preparation we have done in the benchmarking group. It's made us aware of the need to prepare thoroughly for it. If somebody had said- 'Go and benchmark us against Rover', I would have gone down one day and been an industrial tourist. I would look around Rover, ask a few vague questions, get a few good ideas but having done thorough preparation I would have got a lot more out of that day. The common interest group has certainly helped, as well as the one day course. You've got to prepare, to go knowing what you want. You are not just there to walk around the factory, you are there to ask specific questions about how to do certain things, what difficulties have been experienced. That's been the biggest change in perception.

To summarise, there is very clear evidence that the participants learned about the benchmarking process and how to use it more effectively in future. There is also clear evidence that the active CIG participants in this case discovered better practices, which could be applied to their own internal processes. There was little evidence that the CIG led to the discovery of best practices, or that any tangible financial benefit accrued because of the group benchmarking process. Perhaps, it is best to conclude with the words of Manson, who actually highlighted one of the key benefits of carrying out this research:

At least we have learned as to what level or what point these things can work and where they will start to fold, that is what has happened with this one.

Because of this research, it should be clearer to practitioners, policy makers and researchers, when a group benchmarking approach to the transfer of best practice is most appropriate.

7.1.2 Verity Manufacturing

In terms of meeting Baker' objectives, the group benchmarking project was reasonably successful as the following quote highlights:

> *I think we have, looking at what we have learned from within the common interest group would confirm, from my point of view, that what we thought was fairly close to what everyone else was thinking. Lots of the techniques for implementing change have been similar within the common interest group, so that we are thinking that perhaps we are fairly close to something which is deemed as being the best way to implement change... even within the small group that we have looked at, there are certain things which are coming up top of the list on each one. (Such as?) Like, having a champion of the change project. Ensuring that you got management commitment, and communication is important. Involving the people who are operating the process right from the start, and trying to be open and honest with the projects.*

The common interest group had effectively reinforced in Baker' mind that Verity Manufacturing' approach to managing change had been appropriate. Because no efforts had been made to go outside the CIG, this was confirmed only by the three other organisations within the common interest group. Within the group, potential good or better practices in relation to managing change had been identified. However, the usefulness of the exercise was diluted considerably because the process dragged on for so long. As the quote below highlights, Baker' need for the information which the CIG produced no longer existed by the time the group had concluded its work:

> *No, I think it could have done with going a bit faster. When you embark on anything, the reason you do it is to get some results. I don't know. I just think the usefulness of the results has been sort of diluted a little bit. I don't think we, as a company are in a position to use what we learned, anymore. (Why?) Well, I don't think there are any major change projects in the near future which would sort of fit into this category exactly.*

As a result, in the case of Verity Manufacturing, it is reasonable to conclude that in terms of producing useful, timely new good, better, or best practice, the group benchmarking project was not particularly successful. However, it was useful in confirming that existing and past change management practice was appropriate. In addition, it helped to improve Baker' understanding of the benchmarking process, which was one of Dickson' expectations. As Dickson pointed out:

> *One of the things David (Baker) is getting is he is learning how to do a bit of benchmarking. He is gaining the learning process from that. It is a bit like the student surgeon. There are other people there that know more, so he is able to pick up the technique (of benchmarking) by watching it happen.'*

Baker himself echoed this view, and as if the Western Engineering participants discussed above, found that his understanding of how to benchmark had been improved significantly because of participating. As he pointed out:

> *Yeah, I think I have realised that it is, that there are laid down techniques to learning how to benchmark, if you like, rather than attacking things on an ad hoc basis. There is a systematic way of going about how to benchmark, and maybe I didn't realise that at the start... I think you need to have some sort of formal training, and you can build on that internally, rather than just going out and doing something 'willy nilly'. What's the phrase someone once said something about teaching someone to fish and feeding themselves, rather than giving them the fish and then feeding themselves for a day.*

Again, learning centred on how to take a more structured systematic approach to the benchmarking process, instead of the rather more ad hoc approach of the Best Practice Club.

7.1.3 Council Facilities Management

The actual impact on Council Facilities Management as a result of participating in the group benchmarking process was in many ways predictable. Not surprisingly, Boxer identified little impact and few tangible benefits from having participated in the common interest group. As the following quote illustrates, when asked to identify impact, he struggled to point to anything tangible. According to Boxer:

> *From a personal point of view, it serves a purpose. It gives you an opportunity to talk to people in other organisations and to realise that everyone is going through peaks and troughs and changing situations. I think that in itself is quite valuable. I think it's at an embryonic stage. I think it will become a more structured approach to carrying out and undertaking the benchmarking process.*

In terms of finding better practice, Boxer was less than enthusiastic, though as the following excerpt clearly illustrates, he had reflected on this outcome:

> *Yes it was interesting reading, but again I wasn't learning a lot. Which I'm not saying is a bad thing, and I am certainly not saying that as a criticism of the process. It's as much a personal criticism. Really, I allowed myself to just attend a meeting on one afternoon a month, and if I had anything to say I felt was worth saying I would say it. And really, it ended up a struggle, because I wasn't contributing to the group. I didn't want to be the one who left it, to let it fall apart. John was doing a lot of hard work and I didn't want him to feel his efforts weren't appreciated, because they certainly were, but it became a chore to go. I think probably because it became John's project. After getting the questionnaire together it was all Keller as far as getting results. He put his nose down and it was a specific project for him and his team.*

There is very little evidence that the group had actually helped Boxer discover any good/better practice, which could have been applied within Council Facilities Management. In addition, there is only limited evidence that Boxer actually put enough time and effort into

the group to learn much about the benchmarking process itself. Interestingly, shortly after his participation in the group benchmarking process, he tried to organise a benchmarking network within the leisure industry. Initially, like this research, he found a tremendous amount of enthusiasm for the concept of benchmarking and for working in small groups/teams. However, Boxer found that as soon as he tried to turn that enthusiasm into action, most participants opted out or behaved in much the same manner as he had in the context of this research. That experience was probably significantly more powerful in terms of learning how to benchmark than his experience with the measuring customer satisfaction group.

Whilst Grant did not complete the entire group benchmarking process, the data gathered from his first (and only) interview clearly suggested that the process was meeting his expectations. Whilst he could identify little tangible benefit or point to specific best practices which had been identified by the group, he was learning about the benchmarking process. Grant said:

> *I am reasonably happy because I wasn't expecting a drastic improvement. I think you were expecting a faster improvement. It's a learning process for me, and when you are in a learning process, you can get side-tracked. You learn from your mistakes.*

In terms of personal development, the group benchmarking process had a very positive impact on Grant. So much so, he took his new knowledge and skills to a local competitor.

The impact on Charles was mixed. On the one hand, he was fairly disappointed with the results of the whole exercise. When asked what his worst possible outcome would be he said:

> *If nothing changed, that we go through all of this work, whether it be two hours a month or whatever, and nothing changed, nothing happens, we don't do anything...The worst that could happen is that the whole thing fizzled out and not one iota, not one thing changes. That would be disastrous to me.'*

Unfortunately, there is very little evidence that anything actually changed in his organisation as a result of participating in the group benchmarking process. Charles was also concerned that the Network itself would simply fizzle out and die. In his view:

> *My honest answer is that I think it will fizzle and die. I have this feeling that there is not enough impetus, and that may be some of my own personal fault, but there is not enough happening for it to be maintained and I have an awful feeling it might not continue.*

This scenario did not come true immediately. His organisation participated in a second iteration of the process with a similar result. Then the process fizzled out and died due to lack of input.

In terms of better understanding of the value of benchmarking, there is some evidence that the group benchmarking experience helped Charles to better understand the value of benchmarking and when it could be of use to Council Facilities Management. When asked to discuss the future of benchmarking within his organisation, he was much more realistic than at the outset of the project. In his view:

> *Benchmarking, the way we are going, I think is something we won't put a lot of resources into, but it's not something that will go away. I think we see it as a quality tool that certainly needs some consideration. I am quite happy in terms of the results that we have got out in the limited amount of time. I suppose it would have been nice to put some more effort in and see greater results. It's the chicken and egg syndrome as far as I can see.'*

Not only did he have a better understanding of when to use benchmarking, it would appear he learned a valuable lesson about the relationship between time and effort in, and tangible results out.

In addition to gaining a better understanding of benchmarking, Charles also gained a better appreciation of change management. This unintended impact came as a result of being interviewed by Campbell (Northern Hospital) as part of the activities of the change management common interest group. Though initially sceptical, Charles, as the following excerpt clearly illustrates, found good value in his involvement in this aspect of the group benchmarking process:

> *Better than I had anticipated...when I initially got the stuff on managing change it was like reading from a text book. I was reading philosophical arguments about change and the soft issues, and could not really relate it to practical day to day management of things. I am not sure we do all of these things, and I didn't really understand it. But Doug came and interviewed me and talked about how we went about it, what stimulated change, how did we communicate it, what was the catalyst. He has gone away and produced a sheet about what has happened in a couple of places (i.e. how change is managed in organisations in the c.i.g.)...One of the issues that I thought that we were weak on was that we don't do any training on the management of change...we don't train anybody in the management of change. I know there are issues, which impinge upon that such as time management, assertiveness, and all that. The other thing we don't do is the analysis, the How was it for you?...Did we handle it well? Could we have done it better? So the stuff Doug has done, particularly in terms of what we're going through now, has made me realise that we need to back and communicate, to ask whether it's working. I don't think we do that. We have achieved a task and we don't follow through...In terms of what Doug came to do, I found it very useful because it did make me stop and think that there is more to it than the process of change. It is also the communication and the analysis at the end of it.*

In terms of meeting his expectations for the personal development of two key managers, the group benchmarking process was also reasonably successful. According to Charles:

> *The impact for the individuals is good. It enables them to maintain contact and to develop their own thoughts, knowledge and skills. As far as the senior management is concerned it enables us to determine whether it is a concept or a tool or technique we want to pursue. As an organisation, it is a demonstration of this organisation's commitment to quality. In that respect it has been useful. My disappointment is that I have not really seen a great deal of results yet.'*

The evidence suggests that the process was actually very useful in determining how benchmarking might be used. It was also useful in helping at least one key senior manager to gain a better understanding of the technique of benchmarking. Finally, on the face of it, the group benchmarking process was useful in illustrating the organisation's interest in quality management. However, their relative lack of input, and their less than committed approach to the exercise, diminished their standing in the eyes of some of the more experiencéd participants. Unfortunately, their interest and enthusiasm for benchmarking were not, in this case, matched by the tangible actions of an organisation truly committed to quality management.

7.1.4 Northern Hospital Services Directorate[xcvi]

The outcomes in this case are not significantly different than those described in the previous three cases. About halfway through the process, Campbell was asked about the impact thus far:

> *I think we have the benefits of being involved in a network and all the partnerships. Even if we withdrew now we've got the benefits of the links and I am certain we would make use of those links. I think (as I have said before) that the fact you have a Network and a framework there is an important thing in itself. We will only get the benefits in terms of improving processes if we stay with it.*

In other words, not a lot yet, other than the fact they had started to develop some relationships with other organisations which might one day develop into benchmarking partnerships. They had actually started to benchmark. When the process was closer to a conclusion, Campbell was able to point to specific good practices, which had been identified as a result of his participation in the managing change common interest group. As he explained:

> *There has to be a reason for change. It has to be clearly communicated. Those were the key messages which came through...and different levels of involvement with those indirectly effected and those directly effected...It's always the external factors which stimulate change.*

The group had clearly improved Campbell's understanding of the change management process. However, he was not terribly optimistic about how his improved understanding was going to be turned into something tangible by implementing the good/better practices, which the group had uncovered. As Campbell explained:

> *We believe there was something to learn from each organisation, rather than going outside the group, in terms of better practice, maybe not best practice, but better practice. Personally, there are certain things that I have learned that have reinforced that our current practice is a good way to do it. I have certainly learned things that could be usefully applied here given the commitment and agreement to them, and probably more from the manufacturing than the service. Personally, I thought that the Verity Manufacturing' approach to a lot of issues was very good, very effective.*

The key phrase 'given the commitment and agreement to them' was not uttered with any degree of conviction. There appeared little likelihood that the organisation would actually apply any of the lessons learned from this group.

As pointed out above, the customer satisfaction group got off to a positive start, with Campbell playing a fairly active role in the group. As a result, the initial impact of participation was quite positive. As Campbell pointed out:

> *I think what it did do is make you sit down and really reflect on your own processes. I certainly came back from both of the meetings thinking- I have to flow chart those. It really identified some areas we did quite well and others where we didn't do anything.'*

Closer to the end of the process, Campbell assessed the impact as follows:

> *I got an enjoyment and satisfaction out of being involved in that group and working with a group of people I sort of respect intellectually and capability-wise. We have a better understanding, by being involved in that group, of the issues, but we have not gone the final bit in terms of discussing the learning from that group. I've got a lot of learning out of that group.*

Clearly, in terms of being able to point to specific good/better practices discovered as a result of participation, the customer satisfaction group was significantly less successful than the managing change group for the reasons discussed earlier.

There is little evidence during the time of this research programme that participation in the Network and the two common interest groups actually resulted in any improved practice in the area of change management or the measurement of customer satisfaction at Northern Hospital. As Campbell admitted:

> *In terms of the results of changing processes and better practices, I think that there is a lot of evidence at this stage, a lot of results to say we haven't actually done that, but that will happen. Whether that is happening quickly enough from the organisation's point of view is unclear...There*

is the perception (within Northern Hospital) that we can see the importance and relevance of the Business School (referring to the Network and c.i.g.s) but it is not producing results quickly enough...Organisationally, from both of those common interest groups, apart from increased awareness on the part of some individuals, we haven't got a return. To get that return we will need to put extra resource in terms of commitment and time to both of those projects... It's too early to judge, though it has been a long time.

Campbell was optimistic about the potential to turn the work of the common interest groups into tangible results for his organisation. He was also realistic about the additional effort that would be necessary to accomplish this task. Unfortunately, he was not as positive that Pratt would actually have the patience to allocate these resources. In the end, there is no evidence that the work of the common interest groups was ever picked up by Northern Hospital, and as a result, the impact of the group benchmarking process on the organisation was limited.

Despite the limited impact in terms of discovering and applying best practices, it was very clear that, for Campbell, participation in the group benchmarking process had provided a significant learning experience. He was able to identify a number of areas of the benchmarking process, which would be approached differently next time. For example, he would get a team defined at the outset and would ensure that resource implications were discussed and agreed prior to entering the common interest group. Within the common interest group, he identified the need to set defined objectives and time scales to ensure adequate progress. Perhaps most fundamentally, Campbell learned how much resource was actually required to perform benchmarking. He stated:

I personally put in a lot of time but I don't think I and the organisation put in as much as is needed. That may be because we are not prepared in terms of understanding what is needed to get that return.'

The quote also suggests that he discovered the hard way just how unprepared his organisation was to benchmark.

7.1.5 Keller

Outcomes in the Keller case fell into two general categories, better practice and how to benchmark. In terms of meeting the expectations set by their managing director, the Keller team could be judged as reasonably successful. As Roberts described it:

We got to the end of the process- We got best practice in Keller's eyes... I'm not sure we found best practice, we certainly found better practice.

Whilst they got what they considered a better process for measuring customer satisfaction, the Keller team did not meet their managing director's original July deadline. The project actually finished nearly three months late with the internal team becoming bogged down at the stage when they were making contacts with preliminary best practice companies. As Roberts explained:

> *As the project progressed it got down to very much me, as people found the data gathering exercise, going out to talk to other companies, difficult to come to terms with. They didn't find it easy to pick up the phone and ring someone they didn't know... They were willing to pick out the companies they knew and had contacts in rather than the going for the companies that perhaps had best practice.*

The impact of this delay meant that the study was not done in time to incorporate some of the ideas into a European-wide customer survey process which was launched towards the end of the team's work (but after the July deadline). This diluted some of the potential benefit of the team's work, as well as provided a significant demotivator to its members.

Difficulty finding contacts at potential best practice companies was a key problem for Roberts's internal team. They did not, internally or within the common interest group, have the support of an experienced researcher. The researcher didn't take up this role, though in hindsight probably should have done so. The benchmarking training course, delivered by the research threw up a number of potential information sources, and Network members were also offered the opportunity to use the services of a professional researcher/librarian at the University. However, no group actually took advantage of the University's facilities, nor did anyone make much use of the information provided by the researcher.

Most benchmarking texts describe the need to approach the search for potential best practice partners in a structured and systematic manner (see for example Camp, 1995), thereby helping to ensure you actually locate better/best practice, rather than just different practice. In fact, everything about the benchmarking process is meant to be approached in a structured and systematic manner (according to the authorities) to ensure you ask the right questions of the right company(s), to get the right information which can be applied to improve your organisation[xcvii].

The structured systematic approach takes additional time up front but can save considerable heartache later in the process. The benefits of this type of approach are often discovered only through experience, often after not doing it the first time. In an instance where a group

of inexperienced benchmarkers with very limited time, and no professional support are attempting benchmarking for the first time, the approach to finding partners is unlikely to be systematic. Roberts came closer than any other participant in terms of a systematic approach to finding best practice partners, and he was far from the methods described in this researcher's training course. One participant described the method used by the common interest group members, including Roberts, as 'alphabetical', rather than systematic and structured, which was not particularly helpful in terms of actually finding the best practice. Even Roberts himself admitted:

> *My energy got as far as my book shelf where I have a couple of membership directories (e.g. I.F.S.) plus the local network, plus my contacts.'*

Despite the short cuts, the managing customer satisfaction group pretty much collapsed at this stage under the additional workload.

In the case of the managing change group, the search for best practice partners was never an issue. They decided to confine the search to members of the common interest group, and did not even venture out into the wider Network. They analysed the practices within the group, did a bit of background reading, and came up with a list of potentially good practices in the area of managing change. None were validated against external best practice, though taken together, they were probably better than the practice of any individual group members.

Roberts's assessment of the common interest group was refreshingly candid. As he explained:

> *5/6 out of 10. We achieved some things. It was not a complete failure. We need to be proud that of 5 common interest groups that left Longhirst 9 months ago, two of them survived, and that was one of them. I am not sure what the other achieved, but this one has certainly achieved something. Even if it was only one member that achieved something, at least we've got something out of it.*

In terms of discovering useful better/best practices Keller were significantly more successful than any of the other organisations participating in either common interest group or the rest of the network. Keller were one of the few organisation that stuck with the process until they managed to identify better, possibly best practice. Whether the discovery of world's best practice is ever a realistic outcome from any benchmarking exercise, including group benchmarking, is debatable.

When asked to describe what his internal team learned from the experience, Roberts responded:

> *'They've seen that there is a process and you can use a telephone and you don't have to drive miles to make contact with people. You can relatively easily gather data, and there are people out there willing to talk about process...Second time around they will be far more open to using the process (i.e. benchmarking), though I still think they will still have to be guided. They would need a facilitator on the team to help remind them of the steps to go through.*

To some extent he had made some benchmarking converts within the organisation, who would be willing and able (if assisted) to use the technique in future. As will be revisited in the next section, this illustrates some internal transfer of the knowledge gained and lessons learned from participating in the group benchmarking process.

When asked what he believed the other members of the common interest group had achieved he was reasonably accurate in his evaluation. In Roberts's view:

> *A better appreciation of what benchmarking is all about. Not much else, because they haven't completed the journey...'They've got to commit themselves to more effort to more resource.' I can't help them. They've got to do it themselves.*

His assessment is not radically different than that of Campbell from Northern Hospital. Until they took the next step, they were never going to realise the full potential of their group benchmarking experience.

Roberts was also able to cite some general lessons which he (and his team) learned about the benchmarking process. He explained:

> *It's a learning process we (his internal benchmarking team) are going through. Like a lot of other things, we struggled to recognise that we were going for the process rather than the product. It wasn't until we got to the end and people started to see the process we were gathering data on that people began to say 'Hey this is clever'...Then they started to get excited.*

When the team started, they expected to eat fish, and it didn't really matter how they caught the fish, as long as they got something to eat, quickly- as per the Keller culture. As the process unfolded, they got hungry and frustrated because no fish was forthcoming and they were not allowed to use their old fishing skills. As they neared the end of the process, they began to see that not only were they about to catch a fish, they had actually learned a powerful new technique they could use again in future, to catch more fish.

Participation in the network and common interest groups also helped to confirm Roberts's belief about how good his organisation actually was/wasn't. He explained:

> *One thing that I have learned from the Benchmarking Network is that there are many companies in the area that are very similar to ourselves....As we proved at the exercise at Longhirst on the EFQM Model. You put us and Xerxus in the same room, and Xerxus's view of us, when scored, was pretty similar to our view of them when scored.*

This understanding may also help to support his own efforts to continuously improve Keller. Knowing that other organisations, regardless of their reputation, are struggling with the same issues, sometimes just as ineffectively as you are, may provide a measure of psychological support (Schein, 1995a,b,c), or as Dickson (Verity Manufacturing) described it: 'pump up your tyres'.

And finally, when asked whether he would do it again, Roberts stated:

> *I wouldn't necessarily like to be a prime mover in another common interest group, but I would like to be a member of it just to reinforce what I have already learned and just to get in my own mind the pitfalls that you should avoid...'With the common interest group we were all flying blind.' We had you as a facilitator. We made some mistakes but we learned from them. Hopefully, the next time around we wouldn't make those same mistakes again.*

In reality, he did not participate in another common interest group, though another member of Keller was involved in the second iteration of the process.

7.1.6 Palmer Equipment UK

Despite the limited commitment of time and effort to the group benchmarking process, there is clear evidence that Palmer Equipment's expectations were at least partially met. There is little evidence that the common interest group enabled them to discover 'best' practice, though neither participant actually considered this a realistic outcome given their previous benchmarking experience and the limited commitment of time and effort. However, both participants can point to specific practices which were discovered as a result of participating in the common interest group. Furthermore, there is evidence that the specific practices discovered within the common interest group were, unlike the Keller case, actually incorporated into the customer survey process which was markedly improved as a result. As Brown explained:

> *A lot of the information we got from the common interest benchmarking group we utilised to restructure our customer survey to what we saw as the ideal, not necessarily what the common interest group saw as the ideal. We hadn't got that far with the common interest group. They were still getting all the information together. We picked the parts that we thought would improve our system.*

According to Brown, another important impact of the group benchmarking process was that it forced Palmer Equipment to focus on the process of carrying out a customer survey, rather than just the survey itself or the results the survey produced.

Brown was able to point to specific best practices which the common interest group had helped to identify. For example:

- They should speak directly to the owners/user of their equipment, rather than just the distributors.
- The distributors should be contacted prior to the survey
- Reduce the size of the report
- Countermeasure and solution design
- Accurate fault tracking
- Pilot survey in cheapest area, refine and move on to more expensive area/location
- Measure process of measuring customer satisfaction-

The learnings related to the process of measuring customer satisfaction came despite the fact Palmer Equipment never actually completed the process. Their participation effectively ended after the common interest group put together the benchmarking questionnaire and agreed that each participant would go away and use it to gather benchmark data from several potential best in class organisations. As Brown explained:

> *Palmer Equipment's contribution was relatively good up to the point of doing the interviews, and then we seemed to drop off. Although we tried (to do the interviews), we didn't necessarily try hard enough. The commitment wasn't there at the end... to do the interviews. When Bob dropped out of the meetings, he lost interest. He was going to do the interviews with Cummins and then after the meeting in July...couldn't get the job done (passed it on to Paul B.) I didn't feel I was having much support from Bob. It was going to be just me doing it. So I had lost some interest in it. Benchmarking tended to get pushed to one side. Palmer Equipment did not put any commitment in the later stages.*

Powers and Brown made a few half hearted attempts to use the questionnaire, found it too much like hard work, and decided to sit back and watch Roberts get on with the job. The specific practices they identified came from the ideas exchanged within the common interest group in the stages leading up to the questionnaire, and their limited analysis of Roberts's benchmarking data.

Could they have got the same result reading a report? Yes, they probably could have picked up the same ideas reading a report, or doing desk research, but would not have been likely to learn much about how to benchmark in the process. Because Powers and Brown weren't actively involved in actually gathering the data, did they fully benefit from the

process? Probably not. Not only did they put little effort into the data gathering stage of the common interest group, there is little evidence that they systematically analysed the data provided by Roberts. As a result, it is not clear whether the practices cited above are examples of better/best practice, or are simply different than existing practice at Palmer Equipment.

Were they 'free riders'? To some extent, they were. Roberts provided them with a data gathering service, for which they failed abysmally to reciprocate, a fact which didn't go unnoticed by Roberts or his team (see also above). On the other hand, one could argue that the practices they claimed to have discovered as a result of the common interest group are relatively superficial, and could have been discovered much more efficiently by other methods (e.g. published data, desk research etc.). Therefore, they actually incurred a significant opportunity cost by behaving as a 'free rider'. Finally, they probably eliminated the possibility that other common interest group members (or Network members) would actually work with them in future, because of their behaviour in this case. Thus, they lost the future opportunity to use the Network as a cost effective benchmarking forum.

Powers's assessment of the outcome of the group benchmarking process was similar to Blanchards'. He explained:

> *We still learned from it. It wasn't a waste time. There's a lot of dedication of time, not wasted. We didn't get to where we wanted to but we learned a lot from it. The customer survey we did this time is a lot better than the one we did before. We still can't say it is as good as the best in class. That's where we fell down. The goal was not to be the best, but to improve what we currently have. I think it has been successful, I am just not certain how successful.*

Powers was an interesting character. Throughout his participation in the Network, he seemed to be looking for a magic answer that could simply be picked up and readily applied to his organisation with little or no effort. Perhaps, his definition of benchmarking gave some insight into what he really wanted out of the network:

> *Stealing ideas from people that are good at things and seeing if we can apply them.*

Similarly, he seemed to struggle to draw lessons from the benchmarking training session or see how it could be applied outside the context of the case which formed the basis of discussion and analysis during the course. At the time, the researcher concluded that he would only be happy if a case study of an inter-company benchmarking group which has benchmarked the measuring customer satisfaction process, (and has at least one member

who sells through a distributor, like Palmer Equipment) had been presented. In the view of the researcher, he seemed to want everything on a platter. When that wasn't possible, he withdrew from the process, leaving the job to his right hand man.

When asked whether Palmer Equipment would participate in another common interest group, Powers was uncertain: He explained:

> *We need practice. This is the first time we have tried it, I think we will undoubtedly improve, It is the first time they (other c.i.g. members) have tried it. It is the blind leading the blind to some extent. I suspect that we may become involved in one more with the group, just to get some more practice, but I think if it continues this way we will drop off and go our own way. We have picked up an awful lot of information to be fair... I wouldn't say we wouldn't do it again, but we would have to have a very real interest in the common interest. This first time around this was the one that seemed to be the one we could apply ourselves to learn the lessons. The next time around it would have to be something which we wanted to achieve as opposed to learn.*

Palmer Equipment did not participate in a second iteration of the group benchmarking process. Though the process broke down at the end, it did deliver tangible benefits for Palmer Equipment. Not only did it help them discover what they believed to be better practices, it also helped them to get benchmarking started within their organisation.

7.2 The Virtual Benchmarkers

In the previous section, case studies were presented for the organisations which actually participated in common interest groups. Thinking in terms of Honey and Mumford's learning styles, they could be called the activists, even though in some cases, describing them as 'active' might violate the Trade Descriptions Act.. Five organisations which were involved in the initial stages of the Network effectively became observers during the common interest group stage of the project. They could be referred to as the reflectors or theorists, using Honey and Mumford's terminology. Most actively participated in the early stages of the group benchmarking process (i.e. the planning stages), but decided to sit out of the common interest groups. All (except Yellow Lighting) had identified a potential common interest group at the exchange meeting. Unfortunately, their common interest groups never progressed beyond an initial meeting, or in some cases, never got to the first meeting. Most still stayed in close touch with the group benchmarking process, even though they were not playing an active role in the common interest groups. You might say they did a bit of 'virtual' benchmarking, choosing to learn vicariously from the experience of others. They also learned about benchmarking through their own experience of getting as far as the common interest group stage. As a result, in some cases, the group benchmarking process had a

significant impact on their organisation, though not as a result of actually finding best practices.

7.2.1 Xerxus Chemicals

Despite the lack of any tangible result in terms of discovering best practices, Lawrence was optimistic about the benefits of participating in the group benchmarking project. He described it as an excellent learning experience. Lawrence stated:

> *I think I have learned a lot. I think we have made a lot of mistakes. I don't think we have listened carefully to the advice we were given and the logic that went with that advice. We parked critical aspects of benchmarking because of time pressure. We didn't start out with executive commitment in any real sense. The general manager said he would be happy to go along with it but there wasn't any real support there. The education we had from the Business School was excellent and that helped me have influence later on a group of individuals who were talking about benchmarking within our company (i.e. the Global Benchmarking Team). If I hadn't had that background, I wouldn't have been as strong or as forceful. The education has helped me direct and steer the newly established team and facilitate their progress.*

In the above quote, Lawrence is referring to a benchmarking exercise within the Xerxus organisation, which was similar in nature to the common interest group, and provides additional evidence of the benefits Xerxus derived from the group benchmarking project. The Xerxus benchmarking project could be best described as an internal consortium benchmarking study, as it involved five facilities around the world looking at delivery processes. Lawrence led the project and applied a number of the lessons learned from participating in the Benchmarking Network. This is reflected in the structured, systematic approach to benchmarking which the consortium team used. The process outlined below, stood in marked contrast to the approach Xerxus took to the group benchmarking project.

- Train each site representative (2-3 days)
- Agreed critical success factors- (e.g. cost effectiveness, responsiveness, customer service/quality) and determine measures
- Select most important CSF (e.g. cycle time/responsiveness)
- Identify core business processes which support the CSF (e.g. delivery process)
- Narrow focus to key sub processes, goods receiving, analytical testing of raw materials
- Form site team to investigate process
- Train site teams and establish communication structure
- Understand own process
- Identify internal best practice within consortium.
- Benchmark externally using APQC methodology

It was at Ian's insistence that a systematic benchmarking methodology was applied, as the rest of the group preferred to approach the benchmarking exercise like industrial tourists, just as Ian had done some months earlier. Much of what the consortium study did, was

precisely what Xerxus were asked to do as part of the group benchmarking process. The second time around, they were given the resources to do it. Unfortunately, Xerxus's second effort didn't fare much better, as other priorities took over, and the organisation lost interest. Some things are unlikely to change.

There is further evidence that Lawrence was able to transfer learning gained from participation to other managers at his site. For example, he was able to get the Logistics Director and one of her direct reports involved in a benchmarking exercise related to warehousing. Another colleague used benchmarking to improve switchboard operations, and benchmarking was also used to improve the suggestion scheme, and to review their approach to temporary labour.

Based on his experience of the first iteration of the group benchmarking process, Lawrence was also able to provide words of wisdom to newcomers to the process. He explained:

> *I saw the responses David had received from Barclaycard and others on the lists and they had lots of ticks, lots of processes, and I thought- 'Oh no, it's happening again. I thought one of the things we should do in terms of Business School facilitation is maybe we should first make people take a questionnaire to establish where they are. This might help them to realise that there are a number of things that you've got to have done before you should really be talking about common interest groups. You don't have to be rigid about it. You could say- 'Fine, join the Common Interest Groups if you wish, but this is our advice to you: Follow this path of questions and it will lead you to certain types of advice. For example, Have you got top management commitment? If not follow this leg down and our advice is to seek top management commitment. And so on. In doing that, folks will get to a point where they are considering whether they are ready to even think of a common interest group. Once folks have been through some basic steps they can see what they want to benchmark. Then they can look around and see if there is common interest. And then perhaps the groups can establish themselves and there can be this network approach to benchmarking.*

The passage again illustrates quite clearly that Lawrence had learned from his experience to such an extent that he was able to offer valuable advice to less experienced benchmarkers contemplating participation in the second iteration of the group benchmarking process. Lawrence was also invaluable in helping the researcher better understand problems with the group benchmarking process, and how they could be addressed. Many of the ideas he expressed were actually used to modify the second iteration of the process. These included giving participants a clearer idea of what the process actually looked like and the amount of time and effort required to do it well. It also involved making sure the participants understood their own process before getting involved with the common interest group, and had gained the necessary support and commitment to work effectively within the common

interest group. In addition, further emphasis was placed on the group itself, including establishing objectives, time scales, and clearer roles and responsibilities.

In summary, Xerxus failed to discover any best practices as a result of their participation in the group benchmarking process, but then they never actually got around to benchmarking. However, through their participation, they did learn how to benchmark more effectively, and were able to apply the lessons learned to subsequent benchmarking exercises. As in many of the previous cases, it is not clear whether Xerxus would have introduced themselves to benchmarking, or whether the Network was to blame. In any case, it is clear that they derived some benefit out of participating, primarily at an individual level, and to a lesser extent at the organisational level.

7.2.2 Northern Research Services (NRS)

The experience was not without value for NRS, as it taught Christopher some very useful lessons about the group benchmarking process and how to do it better next time. One of the first lessons he learned was the need for preparation before jumping into a common interest group, or for that matter any benchmarking exercise. Christopher explained:

> *In other words, doing much more work internally to understand what it is we are doing and where we see the difficulties and generating some measures before we actually try going outside and having a dialogue with others to benchmark and drive improvement'*

Preparation was something Christopher had been unable, for some of the reasons discussed above, as well as unwilling to do at the time. This was particularly apparent during the project selection process and during the run-up to the exchange meeting. He wanted to get the process moving, to get benchmarking. Christopher explains:

> *You sent us a packet of stuff which required quite a lot of information and looked like blooming hard work to thrash it all through. What I think you got at that steering group meeting was a number of people that were thrown by that and said- 'Look, if we go through all this we'll never get started. The important thing is to try and get something moving so we can see that we have a Network. Given the strength of that view, and I must admit I was one of the noisy ones saying- 'Let's just move!', I don't quite know how you could have stopped that... From my perspective, with the benefit of hindsight, I can now understand why you were trying to do it that way. I think the 8th of December would have had a more productive outcome if we had done that.*

The 'Let's Just Move' attitude extended to the common interest group and helped lead to its almost immediate collapse. As Christopher explained:

> *Xerxus in particular had drifted into that particular group similar to the way we had. Perhaps we were both more interested in getting a Network going than what we were going to get from it. The*

enthusiasm factor, perhaps. Let's get something going at all costs and that's not the right way of going into it.

The dive in approach in this case resulted in an almost immediate disbanding of the common interest group. Even if the group had made it past the first session, it is difficult to see how interest would have been sustained if the primary motivation for group members was to develop their benchmarking skills, rather than improve their process through benchmarking.

Christopher's comments also raise an important issue with regard to setting of expectations and understanding of the benchmarking process. At the time, he (along with many of his fellow participants) didn't really understand what benchmarking was about, how much time and effort it might require, or the need to be adequately prepared before starting. Orientation sessions at the beginning of the Project had discussed the benchmarking process and the resource requirements. Participants had also been given articles and case studies describing benchmarking. It is fair to say that the researcher was not eager, at the beginning, to dwell on how potentially difficult and resource intensive benchmarking might be. At the time, he believed that if resource implications were made too explicit, it might kill the Network before it ever got off the ground.

Nevertheless, participants still had nearly six months to use their own personal initiative to find out more about benchmarking. In Christopher's case, in common with many of the other participants, the education and expectation setting didn't really occur until it was too late, i.e. after project selection and the exchange meeting. As a result, Christopher agitated quite strongly to get things moving. Once they got moving, he quickly discovered how far behind he and NRS actually were in terms of being prepared to benchmark. Christopher explained:

The bit that went wrong for NRS in that run up was the position of the benchmarking training. The benchmarking training was in early February, and there was a logic for that. But for NRS we came out of that saying- 'Christ, we aren't ready for this'. We didn't appreciate what we needed to do. If that training had been in Oct.-Nov. time we would have been in a much better state for the 8th of December meeting. That may not have applied to everybody, but it did for NRS.

That appreciation of what is required to benchmark is perhaps one of the most valuable lessons Christopher could have learned from the group benchmarking project. He took a sensible decision to sit out round one.

Surprisingly, Christopher, like Lawrence (Xerxus) found the experience of the failed common interest group session to be very useful. He explained:

> *It might sound silly, but I actually came away positive from that. All right it was disappointing that we didn't get a network running (i.e. a c.i.g.), but what we got was a very open and honest discussion between the people concerned. There were no barriers. The personalities there all seemed to get on well, and there was a group there which I would feel quite comfortable about ringing any of them up on just about anything. On the positive side there was a relationship forged from that experience. Both of us came away quite positive. We've had an honest discussion and have all been open about where we cocked it up. We've got a 33 1/3 responsibility each. We're all still friends and talking to each other. There's something to move forward from.*

Christopher also cited the development of personal relationships with other members of the Benchmarking Network as an important outcome. As a result, he found himself better positioned to use benchmarking in future if internal and external conditions ever allowed.

When asked what needed to happen before NRS would be ready to benchmark, Christopher clearly demonstrated his new found understanding of the benchmarking process. He reflected:

> *We need a clear understanding of what we are doing. We need a clear identification of the areas which are most critical to our business. We have had that several times over the last year. So what we then need is genuine ownership by the managers and the people involved in those processes. That is what we haven't had. I think we haven't had that for two reasons. First, people have been too preoccupied with whether they have a job or not and what sort of job it is likely to be. Second, mangers getting too easily deflected onto things like Why aren't the toilets working today, or Why have all my electrics gone down? It sounds silly but that's the reality of what's been happening. The combination of the those is that you have everybody tripping over their toes because they aren't looking ahead too well.*

Unfortunately, during the course of this project, despite Christopher's best efforts, benchmarking never got off the ground at NRS. The conditions within NRS were never in place. Round two of the common interest groups came and went, and NRS were still not willing or able to get involved. As stated earlier, it was always going to be a difficult proposition. The barriers to benchmarking at NRS were fundamental.

Christopher also flagged up what was perhaps the biggest issue for the group benchmarking project (and perhaps those like it) and one which has the greatest potential to blunt its impact. He explained:

> *One of the problems with this is, if I do it on my own, it won't do NRS any good at all. I'm not the endpoint of doing things. My responsibility is facilitating, enabling, providing the means and assistance, but the doing of it is out in the technical departments (of NRS). If these people aren't involved, it is a waste of my time, and therefore a waste of the company's time.*

Unfortunately, most organisations in this study tried to do it alone. The impact of this approach has, in hindsight, been predictable, and limited. Not only has it been difficult to discover best practices, working as a one-man band, it has been difficult to transfer those practices, or the benchmarking process, itself, across the organisation.

Nevertheless, NRS did get some benefit from participation in the group benchmarking process, despite never progressing beyond the stage of virtual benchmarking. Christopher still learned more about how to benchmark. A few members of his organisation also learned a bit more about the benchmarking process. Several gained a better understanding of the EFQM Model. When the things settle down, both inside NRS and its external environment, it may be possible to put their new knowledge to use. Leaving it to Christopher to summarise the impact of the group benchmarking process in this case:

> *We've had our eyes opened to some other ideas. We are more aware of the EFQM than before. Benchmarking, we have more understanding than we had before. So we got some tools that are waiting to be used. We have got a few people in the company that have been exposed to other thinking. All right, it is only limited exposure at this time, but it is exposure, and in each case it has been successful. The various sessions people have been to, nobody has come back and said it was a waste of time to have been to. So, there is some catalyst for change, planted in the company which we can fire up again. So in that sense, if you look at it as- we've spent a couple of hundred pounds, there's quite a bit that's come from it.*

Perhaps, not too bad an outcome, given the inputs.

7.2.3 Miller Pharmaceuticals

The impact of the group benchmarking process in the Miller Pharmaceuticals case was minimal. They played little more than an active observer's role. Walters described the impact as follows:

> *The main benefit that I have got out of it is some training on benchmarking. It has also been useful in that I have a list of contacts so that I can go to the brochure, just as I can go to the I.F.S. one. I can go through it and say- 'Is this something you are particularly good at? Is it one of your strengths? Can we come and talk to you?' That would be my approach.*

Claridge shared a similar view, though it is difficult to determine the extent to which the views he and Walters express below are influenced by their limited experience with the Benchmarking Network. Neither had more than a watching brief, though both attended most of the Network events, but never really got their organisation involved. Unlike NRS, who were probably incapable of making an effective contribution, Miller, like Xerxus and Yellow Electrics, and perhaps Gordon Precision Equipment, could have been valuable contributors.

Walters, like Christopher and Lawrence, realised it was pointless to get personally involved if he couldn't convince other managers to support him. He elaborated on this issue:

> *It needs to be done by the people within the organisation who will benefit from the benchmarking information. It needs to fit in with our existing T.Q.M.. activities. So, I decided at that point, Well I am not going to piss in the wind and go ahead and do something they don't really want to do. What I'm going to do now, I've laid the foundation for it. I know what we need to do. I am going to wait for the organisation to catch up and get ready for benchmarking. I think that's what's happening now. We are getting to that stage and this time. If the Benchmarking Network has another meeting, I will bring the people responsible for the maintenance project along.*

In this case, preparation had more to do with people rather than systems or processes. The systems were in place, and by and large, the processes were ready to be benchmarked. Unfortunately, the middle managers needed to be mobilised, any activity at which neither Walters nor Claridge was particularly successful in iteration one. Walters did, however, manage to get Miller involved in the second iteration of the group benchmarking process, though their involvement was relatively short-lived as the group collapsed before the completion of the benchmarking exercise.

It is probably more accurate to say that Walters and Claridge had a greater impact on the group benchmarking process, through their impact on this researcher's reflective processes, than the process actually had on them or their organisation. Because of their experience, the researcher found both to be a very valuable source of ideas for understanding the impact of the process, as well as how to improve it. For example, Walters was a member of several other benchmarking forums, and as a result, he was a useful source of information about how these forums actually worked and what benefits they provided members. In practice, they didn't seem to stimulate much more benchmarking activity than the group benchmarking project. Walters described his experience with the IFS Best Practice Club (see earlier discussions):

> *When I filled in the forms, I put us down as good at a few processes, training and educating employees. That's been in there for 12 months, and I have not had one approach. There are 500 members. I think there is a lot more talk than action on benchmarking. A lot of people are going to Network meetings and all that, but there isn't that much real action.*

Walters's experience confirmed the researcher's views about the lack of tangible activity generated by most networking initiatives. In the Benchmarking Network, like the IFS programme, very few contacts were actually made between organisations. Whilst the common interest groups created partnerships, there was little evidence that organisations

made contacts outside of these groups. Those not in a common interest group seemed to make little use of the Network.

Claridge shared Walters's views about the actual impact of most benchmarking networks, forums, common interest groups, and best practice clubs. He explained:

> *One of the observations that I would make is that there seems to be at the moment a lot of people looking into benchmarking, and going along to benchmarking forums and what have you, without having done any of this sort of pre-work. They just go along to a benchmarking forum hoping that in some strange way it will result in some sort of improvement. Benchmarking is part of a bigger thing. It is an integral part of trying to improve something. It's a way of learning what other people do to give you something to compare with...That's where I see it fitting in, and that's why we really haven't been that pro-active at this point in time. We've come along to some of the things you have been doing, but we are not really at the stage yet where we are ready to do any serious work. We will be soon.*

The researcher's experience discussed in this dissertation, confirmed Claridge and Walters's views. Very little tangible benefit seemed to be derived from most benchmarking initiatives, for the primary reason that most organisations weren't prepared. They hadn't done the pre-work or hadn't reached an adequate level of quality maturity to actually benchmark effectively. As a result, they were unable to get much benefit out of benchmarking. Miller Pharmaceuticals were mature enough to recognise what benchmarking involved, as well as mature enough to know they weren't 'mentally' ready for it. Many of the other organisations participating, were not only too quality immature to benchmark, but were also too immature to recognise it.

7.2.4 Gordon Precision Equipment Machine Company

The only identifiable impact of the group benchmarking process, in this case, is educational. Jackson got an education which was initiated by the Benchmarking Network. It would be difficult to say that the group benchmarking process provided that education, as it had in the case of NRS and Xerxus. The group benchmarking process got Jackson and Bonds interested in benchmarking. It encouraged Jackson to go on an external training course. The course was an eye-opening experience, and convinced him of the need to approach benchmarking in a professional manner, taking a structured and systematic approach to understanding your own processes before inflicting yourself on another organisation. The following quote perhaps best illustrates this learning:

> *When you first showed me the Code of Conduct, I thought- Oh this is a load of crap. Really all we need to do is come to some sort of immediate agreement between companies about how we handle this. Without having to address the issue directly with anyone, I think I have been pretty thoroughly disabused of that. It is certainly my intention as part of the process of rebuilding the*

benchmarking process to establish very clear internal guidelines about how we handle internal benchmarking requests, how we handle contacts. Certainly, I would expect to take that format to our company solicitors for their approval and comment. I think that because you are working like that, I think it is an indication of the degree to which you are approaching the problem professionally. If you have taken the trouble to say- Yes that's the way I want to work, the likelihood is you have taken the trouble to understand your own process and to move at least some way towards providing reciprocal data.

The education also helped him to recognised some of the errors in his approach to benchmarking within the Network. In addition, it started to dull some of his initial arrogance about his own and his organisation's superior ability (relative to other Network members) to benchmark effectively. Jackson discussed his changing views of benchmarking and the Benchmarking Network:

If I was back in the end of November, the processes that we wanted to look at were either too big for us, or too big for the other companies. We were a little naïve there saying- 'We want to be involved in there and involved in there, and wait and see who comes to us'. I think, in retrospect, we might have been wiser in saying- 'Well, this may not be our ideal choice, but let's get involved in something that is useful'. We can judge that more acutely. If people get involved, you can find out where they are. For probably perfectly good company reasons on both sides, neither company has pushed the process. I suspect Jim has been just as busy as I have. Possibly because there are reservations on both sides about where the process will take us, nobody has pushed the process. The net effect is there has not been anybody there to prod and poke and say- 'When is the next meeting?' With a larger group, there is a greater likelihood that there will be somebody, at any given time prodding and poking and saying- 'When's the next meeting?' There will always be somebody who perceives that there is something to gain from it. Looking back on it, I think our approach to wanting to get involved in it may have been a little naïve. That's why I am prepared to be much more flexible.

Jackson also raises an interesting point about the potential of the common interest group to exert pressure on its members to stick with the benchmarking process. In the Gordon Precision Equipment case, two out of the three potential common interest groups consisted of only two members. Perhaps that is not a wide membership to exert sufficient pressure. As Jackson points out, in a larger group it is more likely that at any given time at least one group member will have sufficient self interest to push the other group members along. In a group of two, once one company does a runner, there's no common interest group. In the Gordon Precision Equipment case, both companies did a runner.

Jackson also raised a very important issue regarding the long term danger of confusing industrial tourism with benchmarking. Once Jackson got religion about benchmarking, he insisted that all benchmarking be done 'by the book'. His approach was not dissimilar to the researcher's attempts at structure and rigour. Like the researcher, he met with significant

resistance from an organisation more accustomed to industrial tourism than benchmarking. He elaborated on this issue:

> *I don't think in any area we are so good that we can't learn from benchmarking comparatively quickly. The problem is that you are going to need to do it in several steps. But if we once internally accept the premise that we can do this by just going out and walking around and asking a few questions, then that premise will become the natural law internally with regard to benchmarking. Yes, it might work the first time, but it ain't going to work the second time. People are then going to dump benchmarking because they are going to say- 'We got something out of it the first time, but then nothing.' I would much rather say we put the benchmarking back 18 months and we do it properly and professionally, and we continue to do it professionally and learn from it.*

The researcher shares Jackson' concern about the dangers of industrial tourism. Not only can it waste time, but in doing so, it can destroy benchmarking but destroying its credibility. However, if you take the 'no-compromise' approach advocated by Jackson, you may never get benchmarking started within the organisation. If the researcher had taken a no compromise approach at key junctures of this research, for example, the project selection process or the common interest group stage, it is highly likely the process would have collapsed, and the results presented here would have been even bleaker. The learning gained by the researcher and the participants would have been academic, rather than from experience, even if the experience was far from easy or ideal.

In summary, if an award (perhaps the Virtual Benchmarking Trophy) were given for talking about benchmarking, Gordon Precision Equipment and, Jackson in particular, would have received it. Similarly, if other Network members (and the researcher) were making an award for ignorance and arrogance, Gordon Precision Equipment would be the prime contenders. They did not cover themselves in glory as members of the Benchmarking Network, which was unfortunate because not only would they have had a lot to offer other members, they would have had a lot to gain.

7.2.5 Yellow Electrics

There is little evidence that the group benchmarking process had any impact on Yellow Electrics. Whilst they supported the Network, perhaps as a matter of principle, their level of involvement was never more than superficial. It is no wonder then that Yellow made little use of the common interest group process. They had little to gain in terms of making new contacts or developing partnerships with role model organisations. Through a long term strategy of developing Networks with local and national organisations, Yellow can claim to have a list of contacts second to none. (almost a structured approach to being

unstructured). There were few role models in the Network, and those that were role models were already in contact with Yellow. The costs of participating, in terms of providing information, additional bureaucracy, and wasted time far outweighed any potential gains. If the Network could have offered Yellow the opportunity to meet similar role model organisations for a structured benchmarking exchange, they might have been interested. The Benchmarking Network couldn't offer this, and as a result, they played little very little part in the proceedings.

Nevertheless, Plant still expressed a desire to be involved with local organisations, because he believed there were benefits to be gained. In Plant's view:

> *I very much want our organisation to be involved with local companies, because I think we have got a wealth of talent in the Northeast of England, and we don't use it effectively enough. I think the problem I see with the Benchmarking Network at the time, as opposed to the Best Practice Club which still goes on very well is that the Benchmarking Network has not got together for a period of time to look at what we might be exchanging...I think we may need to be a bit more pointed and specific. I found one of the biggest frustrations in all of these things is that if you actually set something up people will do it. If you leave people to go away and organise, it tends not to happen. From experience of the other groups that I have worked with, until you actually get to know the other people, you don't feel comfortable to actually do the exchange. It may be better to be a bit more directive and pointed.*

The Yellow attitude stands in sharp contrast to the arrogance displayed by Gordon Precision Equipment in regard to local networking and best practice initiatives.

Finally, Plant raised several important issues with regard to benchmarking, and the Network/common interest group approach discussed in this paper. First, in respect to organisation's ability to benchmark, Plant was of the view that most organisations would struggle to find the resources to do it properly. He elaborated:

> *One of the things that I am wondering is that if you look at benchmarking as an activity, whether it be internally or externally, with the way companies are being structured these days, which is the slimming down and delayering of businesses, whether you will really ever get effective benchmarking going. Resource is the first thing everybody is going to say- 'We haven't got the resource.' I just wonder if businesses would benefit from having a benchmarking department that would look at external benchmarking of product, processes, and systems, as a group of specialists. The only prerequisite would be that they would have to recover for the company their overhead for the year.*

Plant also highlighted lack of resources as a fundamental problem with networking initiatives. He explained:

> *Most companies like ourselves are pruning out the frills and fancies of the business and are down to a hard-core resource now that makes the product. Supporting peripheral things is something*

we're not into at all. No shortage of will or enthusiasm comes form the people concerned. They are really keen to do it, but in reality when it comes down to the hard organising they just shy away from doing it.

Certainly, resource was an issue in this case. It may, however, be more accurate to say priority. Resource is always available if it is a priority. Benchmarking is rarely a priority in most organisations, Yellow included. It is a 'nice to do'. It's the continuous improvement 'wasp'. Given the lack of line management resource, and the drive to leaner and leaner organisations, this researcher doesn't believe it likely that a benchmarking department is likely to be created in this sort of climate.

With all the will in the world, most companies simply can't effectively resource projects like this one. Benchmarking needs the involvement of the people that own and work on the process. They are the ones who actually understand it well enough to recognise best practices when they see them. They are also the ones who will be able to adapt better/best practice to suit their organisation. It is not the benchmarking specialist. The specialist can only facilitate or help the process owners to discover best practice. Put simply, if responsibility for learning from others (i.e. benchmarking) is left to the 'learning' department, it is highly unlikely that any organisational learning will actually take place.

Unfortunately, as Plant so clearly highlights, these guys are busy producing the product or delivering the service. They haven't got the extra time or slack to spend benchmarking. Similarly, it is not a priority. It's a wasp, at Yellow, Xerxus, Miller, NRS, etc. If they do have a bit of time, they are unlikely to do it by the book as this researcher tried, or as Jackson (Gordon Precision Equipment) insisted. Organisations like Yellow are going to satisfice, because it's better than not doing it at all. The issue is how to make the benchmarking process more efficient and effective, thereby making the line manager and process owner more willing and able to benchmark. It certainly didn't happen in this case, though it was one of the expectations at the outset of the project. However, the experience gained, and lessons learned may enable it to be so in future.

Finally, Plant, as an experienced networker, highlighted what could become a very real problem with benchmarking, quality improvement and similar inter-organisation networking initiatives. He elaborated:

What I would dearly love to see is someone get it all together and pull the Northeast of England into one network.. I am concerned, I have to say at the number of organisations who are setting up

similar networks, a lot of which have the same groups of people in them. I have a dreadful fear that it will turn so many of these companies off because they can't support them and they will turn away from all of them.

Ironically, there is only limited evidence of co-operation amongst the promoters of inter-organisation co-operation. Instead, networking initiatives compete with each other for the limited pool of 'good' organisations upon which a successful business improvement network can be built. Most Networks rely on subscription fees to fund activities and have little immediate incentive to co-operate. Some, like the Benchmarking Centre, IFS Best Practice Club, Cranfield Logistics Network, the APQC, and the EFQM (to a lesser extent) are commercial, profit-driven organisations who operate in semi-direct competition with each other. They also compete with the myriad of public/quasi-publicly funded initiatives. The competition for members, as Plant insightfully identifies, may have the effect of putting these 'good' companies off. They simply don't have the resources to devote to multiple, overlapping networking initiatives.

7.3 A Note On Participants' Expectations

Participants' expectations fell into two general categories. Most went into the group benchmarking process to both learn how to benchmark, and to discover better or best practice. Whilst learning how to benchmark was a key objective, there is little evidence that participants would have been satisfied if this were the primary outcome from their input of time and effort into the group benchmarking process. Most were looking for some kind of tangible return, in the form of better, and or best practices which could be readily applied to improve processes within their organisation. The desire to gain 'ready to apply' information found in the case studies presented in this dissertation, is consistent with Kunst et al (1996:21), who identified the exchange of 'ready to apply' information as a critical success factor in the quality networking initiatives they studied.

Participants clearly expected to gain 'ready to apply' information, though they were not necessarily expecting it to be 'best' practice. Most seemed to recognise, either at the outset or as the process unfolded, that 'better' practice was a more realistic outcome than the discovery of best practice. Most appeared to realise that they were relative novices, as was the Business School (and researcher), and therefore, better practice was a more probable outcome than best practice. For most organisations, the desire to learn how to benchmark, though important, seemed to fall a distant second to their desire to find ready to apply better or best practice. With the exception of Grant (Council Facilities Management), who claimed

to be in the process 'to learn' and not much else, the expectation of a tangible outcome seemed to take priority.

Participants did not, however, seem to translate tangible outcomes into specific expectations of operational improvement or financial returns. Whilst it was clear that most participants saw the link between the discovery of better or best practice and improved processes, there is little evidence that any of them bothered to think through their investment decision in any great detail. That is, very few actually sat down and thought: 'We are going to invest x man-hours in this project, therefore, we should expect y benefit in terms of cost, quality, time or £s.' Instead, in most cases, they appeared to approach the decision in a rather ad hoc manner- 'It doesn't cost much (about £200) and it won't take up too much of our time. We might pick up a few good ideas. Let's go ahead and try it.' Little real investment of time or financial resources was made by participants. As a result, few evaluated their decision to participate with any degree of rigour. With the exception of Keller, there is little evidence that the benchmarking project or the common interest group (or the Benchmarking Network) was perceived by the organisation to be a particularly high priority. As a result, it didn't appear to warrant any serious evaluation by the participating organisations prior to participation.

Whilst the outcome expectations (i.e. find better practice and learn how to benchmark) might be described as realistic given the relative benchmarking experience of participants and facilitator, the expectations of the inputs required to gain ready to apply better practice were not generally rooted in reality. With the exception of Keller, participants did not seem to have any realistic idea of how much time and effort benchmarking within a common interest group would actually require. The consensus amongst participants seemed to be that group benchmarking required about 1 ½ days per month, with about ½ day devoted to the common interest group meeting, and another full day spent working outside the group. As discussed earlier, few best, better, good, or even different practices ever get discovered by one or two people from an organisation devoting 1 ½ days per month to benchmarking. To make matters worse, some participants' managers (for example Dickson- Verity Manufacturing, Pratt- Northern Hospital, Charles- Council Facilities Management) were even more unrealistic about the time and effort required to benchmark effectively. Consequently, they treated the Benchmarking Network as almost an 'extra-mural' activity to be done at the same time as the participants 'real' job. Again, there is little evidence in the literature to

suggest that benchmarking, of any variety can be effectively conducted when treated as an ad hoc, extra mural activity. The outcomes in this case certainly confirm this conclusion.

7.4 Levels of Impact

Table 7.1 provides a summary of the outcomes of the group benchmarking process. The table summarises the data by five potential 'levels' or categories of outcome which were achieved by organisations participating in this study. These categories are as follows:

- Learn How to Benchmark
- Understand Own Process
- Discover Good Practices
- Discover Better Practice
- Discover Best Practice

An initial category of 'no outcome/no impact' is also possible, and is discussed below. Taken together, the categories effectively represent a continuum of 'success' in which outcomes progress towards the objective of a benchmarking project: Finding and Implementing Best Practices (i.e. Camp's, 1995 definition of benchmarking). Before you can use benchmarking to find and implement best practice, you need to understand how to apply the methodology. You must also understand your own process. Whether you discover good, better, or best practice depends, at least in part, on the scope of your investigation and your skill in applying the methodology. You may consciously decide to limit your scope to reduce search costs (e.g. time and travel costs) or you may apply the methodology in a less skilful way (e.g. less rigorous search to find best-in-class). In the first case, the result is intended, in the second, unintentional.

The categorisation of outcomes also reflects the benchmarking process used by the common interest groups. The common interest groups started with participants gaining an understanding of their own process. From there, the group progressed to the identification and development of good practice within the common interest group. The next two stages involved benchmarking outside of the common interest group, first within the wider Benchmarking Network, and then beyond. The distinction between better and best practice is a matter of degree and is based on the views of participants and this researcher. It is useful to note, that implementation was not considered as a potential outcome. The reason for excluding implementation is timing. The process of implementation or adaptation and institutionalisation, as Szulanski (1993, 1995) describes, often occurs many months after the process is actually discovered and additional information is exchanged between the source

and recipient. Because of the time lag between discovery and implementation, definitive conclusions about implementation (and the results achieved)are generally beyond the scope of this study. However, participants' intentions to implement practices which were discovered are briefly discussed below. In addition, the extent to which knowledge gained about specific practices, or the benchmarking process, was transferred within participating organisations is also briefly reviewed.

7.4.1 No Impact

Whilst obvious, no impact is not necessarily an unlikely outcome. Research by CCI (1995) indicated that as few as 5% of benchmarking exercises resulted in the discovery of best practices. Likewise, Watson argues that 90% of most benchmarking efforts are inspiration rather than perspiration, and as a result very little comes of them. As Table 7.1 suggests, the group benchmarking process had little or no impact in three of the eleven cases presented. There is very little evidence of any impact in the case of Yellow, Miller Pharmaceuticals, and Gordon Precision Equipment, all virtual benchmarkers. These three organisations played no role in the common interest groups, and would appear to have learned very little about benchmarking as a result of their involvement in other stages of the group benchmarking process. In the case of Yellow and Miller, knowledge of the benchmarking process was fairly well advanced prior to involvement. There is little evidence that participation taught them anything new or substantive. In the case of Gordon Precision Equipment, the level of knowledge was low prior to involvement but increased significantly over the course of the project. However, there is little evidence that the increase in knowledge was directly related to the group benchmarking process. They were too arrogant to learn much of anything from participating in the Network. Whilst Jackson' (Gordon Precision Equipment) participation in the Network led to him getting further training, which in turn led to a much greater understanding of benchmarking, it would be difficult to claim credit for his new insight. Two organisations, Xerxus and NRS both indicated they had learned significantly about the benchmarking process as a result of participation

7.4.2 Learn How to Benchmark

The remaining organisations all reached the next level of impact, i.e. learning how to benchmark, as depicted in Table 7.1. They believed that they had at least gained a better appreciation of the benchmarking process and would be better prepared to use it in future. This was one of the primary objectives of the research- to provide an opportunity to learn how to benchmark. It can be concluded that in eight of eleven cases, this minimal objective

was achieved. In six of the eight cases, learning was accomplished by becoming 'actively' involved in a common interest group. In the remaining two cases, benchmarking never went beyond the virtual stage. However, both NRS and Xerxus, firmly believed that had learned more about benchmarking by participating in earlier stages of the process, and by observing (and reflecting) on the struggles of more active participants. Whilst NRS did not put the learning to use (at least during the course of this research), Xerxus (led by Lawrence) applied the lessons to several benchmarking projects they subsequently undertook outside the context of the Network.

7.4.3 Understand Own Process

The next level of outcome was gaining a better understanding of your own process. This was step one in the common interest group. It was designed to ensure that individual members understood their own operations before trying to identify better practice within the common interest group or beyond. The logic for this self-awareness step was sound, and was based on common sense and an understanding of the benchmarking literature (see for example Camp, 1989 or Watson, 1993), which suggests that it's difficult to learn from others if you don't understand yourself. Self awareness enabled participants to develop a benchmarking questionnaire which could be used first within the group, and after this 'pilot', could be applied within the wider Network and beyond. The intended output at this stage was for each participant to produce a process 'map' with key steps identified, good practice highlighted (if appropriate) and process performance measures (e.g. cost, quality and time) which they would share with other members of the group.

As indicated in Table 7.1, and in the case studies in section 7.1, there is clear evidence that all members of both common interest groups reached at least this level of impact. In most cases, the existing process was almost non-existent, and as a result, the process maps were based more on aspiration than existing practice. Nevertheless, participants generated enough knowledge to put together a benchmarking questionnaire and move closer to discovering good, better and best practices. Even if participants got no further, they at least had a better understanding of their own process and its potential strengths and areas for improvement. Combined with a better understanding of the benchmarking process, they were arguably better equipped to benchmark in future.

Outcome	Common Interest Group		Virtual Benchmarkers
	Measuring Customer Satisfaction	**Managing Change**	
Learn How to Benchmark	Western Engineering Council Facilities Management Northern Hospital Keller Palmer Equipment (5/5)	Western Engineering Verity Manufacturing Council Facilities Management Northern Hospital (4/4)	Xerxus NRS (2/5)
Better Understand Own Process	Same as above (5/5)	Same as above (4/4)	NA
Discover Good Practices Within the CIG	Same as above (5/5) Though participants didn't emphasis this stage of the process.	Western Engineering Council Facilities Management Northern Hospital (3/4)	NA
Discover Better Practices From Organisations Outside the CIG	Keller Palmer Equipment (2/5)	NA- Participants did not benchmark outside the common interest group.	NA
Discover Best Practices	Little evidence this was achieved.	NA- Participants did not benchmark outside the common interest group.	NA

Table 7.1: Summary of Outcomes of the Group Benchmarking Process

7.4.4 Discover Good Practice

The next level of impact is the discovery of good practices within the group. As indicated in Table 9.2, five out of the six common interest group members reached this level of impact. That is, within the common interest group, they had identified practices which were superior to their own existing practices, and which could, with additional effort, be adapted to suit their own organisation. Within the measuring customer satisfaction group, this stage in the process was bypassed very quickly as members believed they had more to learn from organisations outside of the group, than from each other. The managing change group, on the other hand, never went beyond the confines of the common interest group.

In the case of Verity Manufacturing there is very little evidence that Baker actually identified better practice which could be applied/adapted to his organisation. In the Parson's case, the work of the common interest group mainly served to confirm what Baker already believed, i.e. that Verity Manufacturing had managed change effectively. He was unable to point to any new, relevant practices which the group had helped to uncover. Thus the primary impact was educational or related to a better understanding of existing practice. Council Facilities Management also appeared to gain very little in the way of good practice from either common interest group. In Boxer's view, the measuring customer satisfaction group didn't uncover anything that was relevant to Council Facilities Management. He felt the benchmarking data gathered was only of relevance to a manufacturing organisation, and was of little use to a service provider like Council Facilities Management. Given his limited input to the process, and his distinct lack of interest in the topic, it was never likely that Boxer would put in the additional effort necessary to understand the potential relevance of the benchmarking data to his organisation. In the case of the managing change common interest group, Council Facilities Management's key participant, Grant, left the organisation before the group concluded its work. Most of what he learn from the group related to a better understanding of the benchmarking process, not to the management of change. Unfortunately, Grant left Council Facilities Management before the organisation could capture what limited knowledge he had gained. However, as discussed in the case study, Charles, the general manager of Council Facilities Management, was indirectly involved in the common interest group's benchmarking project. This involvement actually helped him to discover some good practice in the area of managing change, and thus the researcher has concluded that Council Facilities Management reached the level of good practice.

7.4.5 Discover Better Practice

The next level of impact identified is the discovery of better practice. This level can be reached if the common interest group takes the benchmarking process a stage further and looks outside the group into the wider Network and beyond. The only group to attempt this was the measuring satisfaction group. Two members of the group found better practice than currently existed in their organisation. They made this discovery by analysing the results of the data gained from the common interest group's benchmarking questionnaire. One member of the group (Keller) did most of the data gathering for the group. He shared the raw data with the group, but decided not to share his analysis. One other organisation, Palmer Equipment, who didn't contribute much to the data gathering effort, analysed the data and identified better practices which could be implemented within their organisation. There is little evidence that the remaining three members of the common interest group made any attempt to analyse or understand the results of the benchmarking questionnaire.

Council Facilities Management did not find any relevance in the practice discovered by the group. Campbell (Northern Hospital) claimed to have identified better practice but there is very little evidence that he actually understood the relevance of the practices discovered because his role in the measuring customer satisfaction group was minimal towards the end, and most of his efforts were focused on the managing change group. A similar conclusion could be drawn about Western Engineering whose contribution also faded badly at this stage of the process. Smith was unable to identify any better practice. Manson, who was more closely involved with the group, was more optimistic, but had difficulty pinpointing anything specific. He could only make vague assertions about better practices which the group had found. Only Palmer Equipment and Keller were able to pinpoint specific practices which had come from the common interest benchmarking group.

In the case of the managing change group, three out of four reached the level of good practice. The group didn't attempt to reach for better or best practice. The process of achieving good practice took almost one year, by which time the group had reached the end of its useful life. Therefore, the researcher concluded that only 2 organisations (both from the measuring customer satisfaction group) reached the level of better practice. The virtual benchmarkers left themselves no opportunity to discover best practice.

7.4.6 Discover Best Practice

In terms of finding best practice, there is little evidence that any participant believed they had discovered best practice as a result of participating in the Network and common interest groups. It is not clear that anyone actually expected to find best practice. As both Manson and Roberts pointed out, the best they could hope for was good or better practice. There were few participants who actually believed best practice was 'resident' within the Network or was a likely outcome of their benchmarking efforts From the researcher's perspective, there is very little evidence that the practices discovered by either group would fall into the 'best' practice category. There is little evidence that either group attempted to validate the practices they discovered. Likewise, there is no evidence that the either group's search for best practice was wide ranging or systematic. The search, conducted by Roberts, was confined mainly to the IFS Best Practice Club Directory. The process could perhaps best described as convenience sampling which is unlikely to ensure the practices discovered are 'best' in class.

7.5 Was the Group Benchmarking Process an Effective Method of Finding Best Practice?

This section examines whether the Group Benchmarking Process was an effective method of finding best practice. It begins by defining effectiveness. It then address the question of whether the Group Benchmarking Process was an effective method of finding best practice. It also reviews several related issues- implementation of practices, development of benchmarking partnerships and transfer of learning.

7.5.1 Effectiveness Defined

The researcher used the following definition of effectiveness:

Doing the right things

He measured the effectiveness of the group benchmarking process in terms of:

- Quality- Did the process produce its intended result, i.e. finding best practice?
- Timeliness- Was the intended result produced in a timely fashion?
- Cost- Was the intended result produced in a cost effective manner?

Both the definition effectiveness and the measures of effectiveness used by the researcher are considered 'standards' in the quality management literature (see for example Oakland, 1993:167). In addition, they are typical measures of business process effectiveness (see for

example Schonberger, 1986; or Harrington, 1991), and are commonly used during a business process benchmarking exercise (see for example Camp, 1995).

7.5.2 Quality- Did the process produce its intended result, i.e. finding best practice?

Simply put, there is no evidence that participating in the group benchmarking process enabled an organisation to find best practice. It simply didn't achieve this result. Therefore, if the intention was to find best practice, the group benchmarking process can't be considered an effective method in this case. However, if you begin to look a bit more closely at the outcomes, the picture can look slightly more positive. Table 7.2 provides a summary of the effectiveness of the group benchmarking process in terms of quality related measures across a range of intended results and assumptions about the number of participants. At the level of best practice, the results are disappointing, no

Intended Result		% Achieving Intended Result			
		All Participants	Network Members	CIG Identified	Active in a CIG
	N=	*27*	*21*	*11*	*6*
Find Best Practice	*0*	0%	0%	0%	0%
Find Better Practice (2)	*2*	7%	10%	18%	33%
Find Good Practice (5)	*5*	19%	24%	45%	83%
Better Understand Own Process (6)	*6*	22%	29%	55%	100%
Learn How to Benchmark (8)	*8*	30%	38%	73%	100%
Average	-	16%	20%	38%	63%
Average Excluding Best Practice		19%	25%	48%	79%

Table 7.2 Measures of Process Effectiveness: Quality

matter how you look at them. However, as the level of intended result is 'reduced' and the population measured is limited to those who more fully participated in the process, the results improve significantly, as illustrated in Table 7.2. For example, the process appears to be slightly more effective when better practice is considered the intended result. The measure of effectiveness increases to 7% overall, and to 33% for those organisations which took full part in the process. A similar pattern is followed as the level of intended result is 'reduced' and the population which is measured, is limited to those who more fully participated in the process. The table illustrates that in terms of learning to benchmark, the overall measure (i.e. across all participants) of effectiveness was actually 30%, not impressive, but significantly more than 7%. Also, in terms of learning how to benchmark, 100% of those who participated in a common interest group achieved this intended result.

It is also useful to draw a distinction between participants' expectations (i.e. their intended results) as 'customers' of the process, and the researcher's intended results and interests. This can be an issue in action research projects, as highlighted by Perry (1998) and Perry and Zuber-Skerrit (1992) who distinguished between participants' 'thematic concern' and the researcher's interests, objectives, and formal research questions. They suggest that participants are generally not terribly concerned with researcher's formal objectives and questions, nor do they understand the need to state these in such a way as to be able to make an appropriate contribution to knowledge in the field of study. That was certainly the situation in this research programme. Participants were most interested in two things: 1)Learning how to benchmark by trying to do it; 2)Finding better practice as a result of their attempts. The relative emphasis between these two objectives varied across the participants, and influenced their relative contribution to the group benchmarking process. Best practice was never really an expectation for most participants, particularly as their knowledge of benchmarking grew and they began to recognise the extent of their inexperience, and hence the limited probability that they would find best practice at their first attempt.

Given this discussion, it may be useful to take an average (for example, an equally weighted average) across the range of intended results, from best practice to learning how to benchmark. If this is done, the measure of effectiveness ranges from 16% for all participants to 63% for all participants. Similarly, the average, excluding best practice can be calculated. This yields slightly more positive results, ranging from 19% to 73% effectiveness. In summary, if the sole measure is effectiveness related to finding best practice, the group benchmarking process can best be described as disappointing. However, if the scope of measurement is widened to reflect the expectations of its customers, the picture brightens considerably.

The results achieved in this study can be considered in the light of the outcomes of a 'typical' benchmarking study. As discussed in Chapter 3, CCI (1993) have highlighted that as few as 5% of benchmarking studies result in the discovery a of best practice. However, they don't address the likelihood of achieving alternative outcomes. The results achieved in this study, no matter how they are segmented, compare favourably to this estimate. Along similar lines, Watson (1993) argues that most benchmarking efforts (90%) are inspiration not perspiration, and as a result often end without the discovery of best practice.

Unfortunately, most of the benchmarking literature is relatively silent on this point. Whilst they address the critical success factors and reasons for failure, they provide little detail on the probability of success, particularly for novice benchmarkers. Based on the information available, the results achieved in this study, while disappointing, as not necessarily surprising.

Finally, it may also be useful to briefly compare the results of this study with the quality networking literature, such as Cleveland (1995, 1995a), Dale and Higginson (1994) and Kunst et al (1996) who were discussed earlier in this dissertation. Though none directly address the issue of finding best practice, or define effectiveness, all investigate the outcomes of various quality networking initiatives. For example, Cleveland (1995, 1995a) highlights a number of benefits which participants attributed to participation in a quality network, including financial improvements resulting from adopting techniques learned during participation. Unfortunately, the time frame of Cleveland's study is not stated (i.e. over what period were the results achieved?), nor are the results presented in a way that enable the reader to judge what percentage of participants actually achieved the results described. Furthermore, it is not evident that the results were achieved as a result of benchmarking efforts, or by other means. Thus it is difficult to benchmark the results of this study against his work.

Dale and Higginson also highlight a number of benefits of participating in the Trafford Park Performance and Quality Forum. Interestingly, they found that only one of the twenty companies surveyed reported that they had benefited from sharing experiences and problems with other members (the closest thing to finding best practices). Certainly, the results achieved in this research compare favourably to the 1/20 figure cited by Higginson and Dale. The work of Kunst et al (1996) can also be considered. As discussed earlier, they admit that it is difficult to measure effectiveness and note that very few quality networking initiatives actually attempt to do so. They do note that many quality schemes perform an evaluation of results and can point to success in helping network members adopt ISO 9000 standard quality systems. Unfortunately, most of the schemes they describe are narrowly focused on ISO (or similar) and there is no evidence benchmarking is used to achieve success. At the same time, no mention is made of 'failure', i.e., how many organisations actually succeed relative to number participating, as was attempted in this case. It should also be noted that Kunst et al don't actually provide a measure of

effectiveness, they only admit that effectiveness is difficult to measure. Perhaps the difficulty lies in their failure to define effectiveness in such a way as to make it measurable in the context of quality networking. As Hackman and Wageman (1995) have pointed out, it is very difficult to measure the impact of specific initiatives on global measures of performance. They suggest, instead, that the focus be limited to process criteria, which can be linked to global outcomes. This case study found it relatively easy to measure effectiveness by focusing on finding best practice, and the criteria of cost, quality, and time.

7.5.3 Timeliness- Was the intended result produced in a timely fashion?

As discussed previously, it took over a year before the common interest groups got underway. Once they got underway, it took them over 10 months to complete their task. One participant characterised the pace of the common interest group he was involved in as an 'anaemic snail'[xcviii]. One of his colleagues echoed this view. He stated:

> *I think what we have achieved could have been achieved by sitting everyone in a room for one week. I think we would have had the same end result after one week as we have had after nine months... I don't think we have gained what we could have gained. By going faster and keeping the interest we could have done a lot more and could have gone further afield. But because it has gone slowly people are going to say- 'Is it really worth spending money on this?'*[xcix]

Throughout the project, pace, or cycle time of the process, was an issue. In general, the perception amongst participants was that the process moved far too slowly to be effective. As a result they lost their enthusiasm for group benchmarking, in part because it was no longer a priority (if in fact it ever was). As enthusiasm waned, effort declined. As the process ground to a halt, the potential benefits became increasingly less relevant, and enthusiasm slipped even further. Effectively, a vicious circle was created. In addition, as the process dragged out, any new knowledge gained became increasingly irrelevant, because the information was no longer timely. The information was no longer required or was past its sell by date. In summary, in the view of participants, the group benchmarking process could not be considered particularly effective in terms of the timeliness of the results which were delivered.

However, if the process is compared to a 'typical' benchmarking project, the results are not particularly disappointing. Camp (1995:121), for example, stated that a business process benchmarking project will on average last from nine to twelve months, not including the time required to implement the best practices discovered. It also doesn't include the time spent by the organisation to decide what process to benchmark. It only reflects the time spent by

the benchmarking team on the benchmarking user methodology. In this case the common interest groups ran for between ten to twelve months, though both groups included a significant summer 'hiatus'. This is not out of line with estimates made by the benchmarking experts, like Camp. What probably contributed to participant's perceptions of a 'slow' process, was the nearly one year set up period from the time the researcher was hired, the Network established, and the common interest groups formed. The perceptions of slow pace were probably carried over from the first stage of the process to the second. It should be noted that the common interest groups set their own schedule. Thus, the pace at which they moved was determined by the members, not the researcher, as was often the case prior to the common interest group stage. An unwillingness to meet more than once every four to six weeks contributed significantly to relative slow pace of the common interest groups. Simply put, at the common interest group stage responsibility for slow progress rested solely with group members, an issue which is discussed in greater detail in the next chapter.

7.5.4 Cost- Was the intended result produced in a cost effective manner?

Cost effectiveness was not perceived as a major issue for participants. The fee for participation was £200 per annum. For that fee, Network members received training in the EFQM model and business process benchmarking. As many as six people from each member organisation was allowed to attend these training sessions. They were guided through the selection of projects and the matching of common interest groups. The common interest groups received some facilitation and direction. Members also had access to a Network directory which gave background information about each organisation, as well as a person to contact with benchmarking requests. Network members were also invited to attend (up to 4 per organisation subject to space availability) Best Practice club meetings. As a result, financial cost was never an issue. In this sense the group benchmarking process was particularly effective.

The main cost of the group benchmarking process was time[c]. Table 10.2 below illustrates the typical time commitments at different stages in the process. These reflect participants' estimates of the actual time spent, and do not necessarily reflect the time required to do justice to the process, as will be discussed in the next chapter. Time was spent at each stage in the process mainly preparing for and attending Network and common interest group meetings. As the Table illustrates, on average, organisations devoted approximately about

33.5 days to the process, with 20 man days spent as part of the common interest benchmarking group, and the remaining 13.5 man days devoted to preparing to benchmark.

Activity	Time Commitment Per Person	No. Persons per Organisation	Total Man Days per Organisation	Note
Organisational Meeting	½ day	3	1 ½	including travel time
Protocol Meeting	½ day	1	1 ½	including travel time
Prepare Directory Entry	1 day	1	1	Based on participants' estimates
Select Benchmarking Project(s)	1 day	3	3	Based on participants' estimates- Doesn't imply this is how long it 'should' take
Attend Exchange Meeting	1 day	1 ½	1 ½	Preparation time covered in previous item.
Benchmarking Training	1 day	5	5	Note: Not all trainees were subsequently involved in the common interest group benchmarking project.
Prepare for CIG meetings	5 days	2	10	½ day times 10 sessions, Based on participants' estimates.
Attend CIG meetings	5 days	2	10	½ day times 10 sessions Based on participants' estimates
Total Time Commitment			33 ½	Over 18 months or approx. 2 days per month.

Table 7.3: Typical Time Commitments at Different Stages in the Process (Note: This is a rough average across the participants/organisations, though it is indicative of the relative amount of time and effort expended over one eighteen month iteration of the process.[ci])

How does this compare to a 'typical' benchmarking project? Most leading benchmarking authorities have tried to provide an estimate of the cost of benchmarking (see APQC, 1993; CCI, 1994; Camp, 1995; Spendolini, 1992). For example, (APQC, 1993:103-117)[cii] estimate that a typical benchmarking study costs approximately £45,000. CCI (1993:1.42-43) estimate the cost at about £60,000. Camp (1995:121) stated that a typical project will involve 3 people spending 1/3 of their time over a 9-12 month period. This results in an estimate of approximately 193-258 man days for a typical project [ciii]. This compares with an APQC estimate of nearly 113 man days[civ] and a CCI estimate of 258 man days[cv] to complete the benchmarking process including site visits and team meetings. Finally, Spendolini (1992:35-37) has estimated that a typical business process benchmarking team will be comprised of between 4 to 6 people who spend between 10 to 25% of their available time over a four to six month period. His estimate, and APQC's are for the benchmarking

process itself, and do not include preparation such as deciding what to benchmark. Likewise, none of the estimates include the time required to implement the best practices discovered during a benchmarking study. Table 10.1 below uses Spendolini's estimates, to calculate a range of time spent (in man days) per typical business process benchmarking project.

Team Size	Project Duration	% of Time Allocated to Benchmarking	Total Man Days
4	16 weeks	10%	32
6	16 weeks	10%	48
5	20	17.5	87.5
4	24 weeks	25%	120
6	24 weeks	25%	180

Table 7.4 The 'Cost' of Benchmarking (based on Spendolini, 1992:35-37)

Using Spendolini's estimates, an average figure of 87.5 man days can be calculated. When compared to this 'benchmark', most of the organisations involved in this project devoted very little time to the group benchmarking process. Only the most dedicated participant even came close to the typical time and effort commitment to benchmarking, described by Camp, Spendolini or the APQC.[cvi] More typical of this project was a comment made by one participant: "I don't think I have put a week's worth of work into benchmarking over the nine months."[cvii] Unfortunately, few benchmarking experts believe you can do justice to the process with that sort of effort, a point which will became painfully obvious as the group benchmarking process unfolded.

Regardless of the actual amount of time spent by participants, there was a perception that the process was more time consuming than necessary. This concern related to what some participants perceived as bureaucracy, paperwork and unnecessary preparation. Many of these concerns surfaced when participants were asked to use a structured, systematic process to decide what to benchmark, and have been discussed in some detail in Chapter 4. The preference of most participants at the time was to simplify the process to make it less time consuming. In hindsight, many changed their tune. Preparation was also 'forced' during the common interest group which also added additional cost to the process, however, during this phase of the project it was met with very little resistance. When interviewed, a number of participants cited this rigour during the common interest group phase as particularly useful.

The opportunity cost of participating in the group benchmarking can also be considered. That is, if participants weren't spending their time group benchmarking, could they have used it more effectively benchmarking on their own? Interestingly, despite the relatively disappointing results in terms of quality and timeliness, most participants believed that the group benchmarking process had been particularly helpful in getting the benchmarking process started in their organisation. That is, they perceived that without going through the group benchmarking process, they might not ever have started benchmarking. John Roberts from Keller explained:

> *I think it has helped us to gain an understanding of benchmarking and how to go about it. It was useful to work in a group of similar interest/similar aim people. Different companies, therefore no politics involved in the interest. Therefore, it was able to get us off to a start which we would have perhaps struggled with if we wouldn't have had the ability to talk to others outside the company. Yes- to get us off to a good start.*

Without the common interest group and the Network to give his organisation an initial push, Roberts did not believe that benchmarking would have got started at Keller (at least not at that time). The Benchmarking Network made it easy. Roberts's view is supported by Grant from Council Facilities Management, who stated:

> *The main problem is that we have looked at benchmarking and thought- 'That's a great idea'. However, we haven't really had the expertise to point us in the right direction, to show us what we should be looking for. Coming into the Benchmarking Network, it (that inexperience) still shines out. If we wouldn't have that kick from the side (i.e. the Business School), we would have still been languishing not understanding benchmarking.*

The common interest group was also essential in terms of supporting Keller's internal team during their tentative first steps of the benchmarking process. As Roberts explained when asked if his internal team would have been able to make a go of it without the common interest group:

> *I doubt it. That was the value of the common interest group. It was able to put a lot of thought into how to go about those first couple of steps. Get the first foot forward, then the second foot forward. Up to the development of the questionnaire, we were doing relatively good work. We had four or five meetings. We had got a relatively long way in four to six hours of meeting (with very little work outside of that), and then it just collapsed. That's when it required us to do some hard work, and it didn't happen... We dragged it (the initial four meetings) out, but I'm not sure. When we started I certainly didn't dream of a questionnaire. I certainly didn't perceive that as being the first key objective to achieve. Certainly with the team (i.e. his internal team), here that wasn't the objective. It was useful to have a common interest group to say- 'Hey look this is the way to go.' I don't know what would have happened it we hadn't had the common interest group to keep us on track.*

The group benchmarking process was also perceived as being instrumental in helping make connections between previously unrelated organisations. For example, without the

Business School creating the group benchmarking process, Western Engineering may never have connected with Palmer Equipment, Northern Hospital, Keller, or Council Facilities Management for the purposes of benchmarking. This is explained by Stevens from Western Engineering who stated:

> *We probably wouldn't have got together if it weren't for the Business School. It's made it easier. It's done the co-ordination and made the introductions...Someone said that British society is peculiar. If you're at a party you won't talk to someone unless you have been introduced to them by a mutual friend. The Business School is the mutual friend. It's doing the introductions. Businesses are just like people at a party. Businesses are reluctant to approach one another unless they are introduced by a mutual acquaintance.*

This view was reinforced by Campbell of Northern Hospital who explained:

> *I think that it is very important that you have a Network. I don't think we would have got the framework of the benchmarking group if it hadn't been facilitated... I don't think it would have evolved as a Network...You would probably get down to a core group. I think that there will be initiatives now that the framework is in place, but it wouldn't be a network. It would be maybe small partners within an informal network. I think the foundation has been laid and the fact that foundation is still there will deliver results. It will deliver more results if the Business School stays involved and sticks with it, but I think they still need to have a high level of involvement in the process, rather than just standing back and letting the organisations get on with it...As an entity (i.e. a network) I don't think we are anywhere near the level of maturity (required to go it alone).*

In summary, most participants believed that despite the initially disappointing results they would never have got the process off the ground without the group benchmarking process. Therefore, the opportunity cost of group benchmarking, when compared to benchmarking alone, was actually positive. Furthermore, the cost in terms of time and money was minimal, though during the preparation phase many participants believed that bureaucracy, paperwork and needless preparation had generated unnecessary costs. Overall, however, it is reasonable to conclude that the group benchmarking process was cost effective in this case.

7.6 Other Issues

7.6.1 Implementation and Benchmarking Partnerships

In only one instance is there any evidence that the practices discovered by the common interest group were actually implemented. In the case of Palmer Equipment, several of the practices discovered by the common interest group were applied when Brown and Powers carried out their next customer survey. They believed the improved practices led to an improvement in the survey. It took less time, cost less, and provided more relevant and timely information. Keller, who actually put the most effort into the process, failed to utilise the practices they discovered, during the time frame of this research. Responsibility for the

customer survey process was taken out of the hands of the Keller benchmarking team. As a result, the team never put their knowledge to use. To make matters worse, the new process owners were not interested in reviewing what the Keller benchmarking team had learned. Unfortunately, by the time Keller had discovered better practice, the information was effectively 'past its sell by date'. For other participants in this study, the researcher uncovered little evidence that any best practices discovered as part of the common interest group were implemented during the course of this study. In addition, the researcher is not optimistic that implementation occurred after the completion of this study.

Finally, there is little evidence that participation in the Network or the common interest groups led to the development of strategic benchmarking partnerships between participants. If group benchmarking is considered in the context of Hackman's (1987) task, team, and individual model of group performance, partnership development relates to the ability of the team to work together better in future. The task refers to the discovery of good, better, and best practice. The individual refers to the development of individual benchmarking capability. There is little evidence that either common interest group had increased its ability to work together more effectively in future. Individual capability may have developed, but there is little indication that the group wanted to work together in future. In fact, neither common interest group worked together again, though individual organisations (Council Facilities Management, Northern Hospital, and Western Engineering) collaborated on projects in round two of the group benchmarking process. By the end of the process, particularly in the case of the measuring customer satisfaction group, members seemed to be happy to see the back of each other. Unequal inputs, and, in particular, Keller's disproportionate contribution led to some hard feelings on their part, and guilt on the part of some of the other group members- not the ideal conditions for the development of strategic benchmarking partnerships.

7.6.2 Was Learning Transferred Across Organisations Participating in the Study?

A final issue related to the outcome of the group benchmarking process is the extent to which that impact is transferred across the organisation. First, do the best practices which the common interest group discover actually get applied? This was addressed in the previous section. Second is the technique/process of benchmarking, and the lessons learned about it, transferred beyond the one or two individuals who directly participated in the group benchmarking process? Knowledge and best practice transfer is a central issue

in the organisational learning and best practice transfer (See Szulanski, 1993, 1993a, 1995, 1996; Jick et al, 1993; Garvin, 1993; or Cole, 1994)

In this case very little transfer of knowledge, particularly about the benchmarking process actually occurred. With the exception of Palmer Equipment, Keller, and to a lesser extent Xerxus, the knowledge gained about the benchmarking process was never transferred beyond the one or two direct participants. In the Keller case, Roberts was able to recruit a small team to assist with the benchmarking process. Therefore, knowledge spread to a few other members of Keller. Beyond this group, very few other people from Keller were aware of the activities of the common interest group, though Roberts was planning to write an article about the group in the company's newsletter. In Palmer Equipment's case, Powers and Brown were able to transfer some of their knowledge about benchmarking to a colleague who used it to improve another business process. At Xerxus, Lawrence applied the lessons he had learned from his involvement in the group benchmarking process to a similar intra-company exercise. He also transferred his knowledge to help a colleague undertake a benchmarking study. In the case of the other participants, there was either little knowledge to transfer, little transfer of knowledge, or both.

The above discussion begs the question- Why did so little knowledge transfer occur? The work of Szulanski (1993, 1993a, 1995, 1996) suggests a number of possible barriers, some of which were present in this case. For example, there was little motivation for most participants to actually share the knowledge gained from the project with other members of their organisation. Not only was the project of minimal importance to most participants and the organisations they represented, benchmarking itself, was not really an important issue either. Not only were there few incentives to share information, or much demand from the organisation to share, there is little evidence that any of the organisations had actually thought through the issue and established any formal, systematic mechanisms to make the most of the knowledge gained by participants.

The researcher was equally guilty in this area. He had not thought through how to best communicate project findings, common interest group project reports, and the like. He made a few attempts to let Network members know through a newsletter, and several participants read, and provided feedback on earlier drafts of the dissertation. He also provided somewhat regular progress reports and updates during the initial set up phase of

the project, prior to the common interest groups. Most of this communication was done directly with participants via personal correspondence. Most large scale communication efforts, brochures, etc. were aimed at prospective Network members. Nothing was actually directed at participants' managers or their organisations. During the common interest group phase, almost all communication was informal during personal interviews, which repeatedly highlighted participants' desire for more information. Certainly, no structured, systematic mobilisation and/or communication programmes, highlighting progress, successes and key learning points, such as those witnessed by the researcher in recent years[cviii] were ever attempted. If such efforts were aimed not only at participants, but also, their organisations, they might have created additional incentives for the organisations to better support participants by allocating additional time or resources to the task. In this case of group benchmarking, their is little evidence of effective knowledge management on the part of the participants, or on the part of the researcher, who, perhaps, should have known better.

In addition to lack of formal systems at both the organisational and network level, and the lack of incentives to share, there seemed to be a 'fear of failure' amongst many of the participants. Roberts (Keller) for example had no intention of broadcasting his involvement until he was sure the Network 'worked', lest he damage his credibility and consequently his other quality improvement efforts. The same sentiments, and rationales were expressed by the Powers (Palmer Equipment), Lawrence (Xerxus), and a number of other participants. The lack of knowledge transfer also highlights the isolated nature of many quality professionals and their often limited influence in their organisations. In this research programme almost all of the participants came from the quality department or a closely related function. In most cases they were not particularly senior, or particularly influential characters (Roberts- Keller excepted). Most were as Kunst et al (1995:3) suggested, relatively isolated.

Reducing isolation, and providing psychological support (see also Schein, 1995a, 1995b) were potential benefits of the group benchmarking process. Unfortunately in this case, the Network and common interest groups may have provided some support and 'pumped up the tyres' of participants, but it seemed to do little to reduce their fundamental isolation. Isolation seems to be directly related to the relative unimportance of quality in many organisations, particularly those participating in this research. As discussed previously, quality maturity within the general population of organisations, and those within the Network,

is relatively low. Therefore, the quality manager can become a relatively unimportant and isolated figure. As a result, it may be difficult for him/her to transfer knowledge gained from quality networking initiatives like group benchmarking. In more quality mature organisations, where the role of the quality manager is more significant, knowledge transfer may be less problematic.

7.7 Chapter Summary

This chapter examined the outcomes of the group benchmarking process, and addressed the question of whether the common interest group process in this case was an effective method of finding best practice. The question was comprehensively addressed by analysing the data presented in a series of brief case studies of the eleven organisations which played a major role in the group benchmarking process.

The outcomes achieved by participants fell into the following categories:

- Learn How to Benchmark
- Understand Own Process
- Discovering Good Practice
- Discovering Better Practice
- Discovering Best Practice

Eight of the eleven organisations reached the level of learning how to benchmark. This group included two organisation which didn't actively participate in a common interest group. Of the six organisations which participated in a common interest group, all reached the level of better understanding their own process. Five of the six common interest group members reached the level of discovering good practice. Two common interest group members achieved the level of better practice. However, none claimed to have found best practice as a result of participating in the group benchmarking process. In addition, only one organisation claimed to have implemented the new knowledge gained, though several participants claimed some success in transferring their new knowledge of the benchmarking process across their organisations.

The Chapter then turned to the question of process effectiveness which was defined simply as:

Doing the right things

The effectiveness of the group benchmarking process was measured in terms of:

- Quality- Did the process produce its intended result, i.e. finding best practice?
- Timeliness- Was the intended result produced in a timely fashion?
- Cost- Was the intended result produced in a cost effective manner?

In other words, to what extent did the outcomes match the desired results. In terms of quality, the process could not be considered an effective method of finding best practices, because none were actually discovered. However it was significantly more effective in achieving participants'(as opposed to the researcher's) desired results, which were to find better practice and learn how to benchmark. Participants didn't consider that the intended results were achieved in a timely fashion, though the cycle time of the common interest group process was comparable to a standard benchmarking exercise conducted outside the context of a benchmarking network and common interest groups. Cost effectiveness was also evaluated, in this case from three perspectives- financial, time/human effort, and opportunity cost. Financial cost was minimal. Opportunity cost (relative to benchmarking alone) was positive because most participants believed they would never have started benchmarking without having participated in the group benchmarking project. The time/human effort element is a bit more complicated. Participants believed the process was more complicated than it needed to be and thus required more human effort than would otherwise have been necessary. However, most participants put an implicit limit (or had an implicit limit placed on them by their superior) on their time during any given period. In most cases this was about two man days per month and as a result, the actual 'cost' of human effort was only two days per month. The perception of participants was that the process wasn't particularly cost effective. In comparison to a typical benchmarking project, it was cost effective. Finally, the issues of implementation and knowledge transfer were also addressed. Unfortunately, very little implementation of practices or transfer of knowledge were observed in this case study.

CHAPTER EIGHT

Factors Which Influenced the Effectiveness of the Group Benchmarking Process

The previous Chapter focused on the results of the Group Benchmarking Process, examining whether it was an effective method of finding best practice in this case. This Chapter focuses on the six key determinants of effectiveness which emerged over the course of the action research project. The Chapter begins with a brief overview of these six factors, labelled by the researcher as effort, organisational readiness, individual readiness, process structure, network facilitator, and common interest group processes. These factors emerged as the most significant influencers of the effectiveness of the group benchmarking process. This provides a high level model of the key determinants of effectiveness of the group benchmarking process. The Chapter then examines each of the key determinants in greater depth, and illustrates how each impacted effectiveness in this case. It then briefly compares the findings of this study with the benchmarking and quality networking literature reviewed in Chapter 3, and in particular with the critical success factors of benchmarking and quality networking. It also looks at the fit between the model of the key determinants and the work of Hackman (1987) on group effectiveness. Finally, the answer to this study's second research question is summarised.

8.1 Overview of the Key Determinants of Effectiveness

Over the course of this study, six factors emerged as the most significant determinants of the effectiveness of the group benchmarking process. These factors were labelled by the researcher as:

- Effort
- Organisational Readiness
- Individual Readiness
- Network Facilitator
- Process Structure
- Group Processes

Effort reflected the quantity, quality, timeliness and steadfastness of the inputs made by participants. Effort manifested itself at an individual level, but was clearly the result of decisions made at both the individual and organisational level. The decision whether or not to get involved in the project, and to what extent, was made at an organisational level, though individual participants often had significant influence in the decision-making process.

The organisational decision set implicit guidelines on the quantity of human resource (for example man-hours of the individual participant) that should be allocated to the project over a given period. Within this upper limit, individuals appeared to have some control over how much of their time they could allocate, as well as almost complete control over the relative intensity and quality of their efforts. In this case study, most organisations allocated very little human resource to the project, and to make matters worse, chose to spread it over an extended period of time. In addition, the quality and intensity of individual effort, though difficult to quantify, was often not very high, and tapered off noticeably as the process unfolded.

A second factor which emerged as a key determinant of effectiveness was defined by the researcher as 'organisational readiness'. This simply referred to the participating organisations' readiness or preparation for business process benchmarking. This reflected the organisations' previous benchmarking experience, as well as its level of quality maturity, an issue discussed extensively in Chapter 3. If the organisation was new to benchmarking, it was likely to be on a fairly steep learning curve. Likewise, if it lacked quality maturity, it was unlikely to have significant process benchmarking experience, and was also likely to be missing some of the basic pre-requisites which would enable it to do so effectively. A third factor to emerge, 'individual readiness', was closely related to organisational readiness. It refers to the relative skill, ability, and knowledge of the individual participants. That is, did the participants have any previous experience of benchmarking, particularly business process benchmarking which would enable them to benchmark effectively within the context of a common interest group? In addition, did they have any knowledge of the process being benchmarked? If not, they were also likely to be on a very steep learning curve.

A fourth link in the high-level model of the key determinants of effectiveness is what the researcher labelled the 'structure' of the group benchmarking process. This refers to the nature and timing of the key steps in the group benchmarking process. Essentially, the group benchmarking process was an attempt to go beyond the industrial tourism approach of the Best Practice Club. This was reflected in the design and key steps of the process, which emphasised preparation and the use of a systematic approach to benchmarking. Increased emphasis on preparation and rigour had both intended and unintended consequences. On the one hand it helped to reduce industrial tourism and the tendency to jump straight into the car to have a look at other organisations. On the other hand, it

introduced additional complexity and bureaucracy to the process which was not always favourably received. A fifth determinant to emerge was the importance of a network facilitator and 'broker' to organise the entire process, serve as a champion, provide some expertise (albeit limited) in benchmarking and process facilitation, and to keep Network members moving forward. The role of facilitator was played by the researcher with the support of his supervisors from the Business School.

The final element of the high-level model of the determinants of effectiveness is what the researcher described as 'group processes'. This refers specifically to the processes used within the common interest benchmarking groups. Group process included how the common interest groups planned the task, organised themselves, how they structured and executed the work. It also included factors such as leadership and facilitation, common purpose, shared responsibility and group synergy.

A high level model of the determinants of the effectiveness of the group benchmarking process is depicted in Figure 8.1. It indicates that the process effectiveness was determined by:

- Effort
- Organisational Readiness
- Individual Readiness
- Network Facilitator
- Process Structure
- Group Processes

The model of effectiveness and key determinants is grounded in the data and makes intuitive sense. In the words of Glaser and Strauss (1967) 'it fits and works'. It can also be linked back to the benchmarking and best practice literature, as well as to work in the area of group behaviour and teamwork, and inter-organisation networks, as will be shown later in this Chapter. First, however, each of the key determinants will be explored in greater detail.

8.2 Effort

As highlighted in the previous Chapter (see Tables 7.3 & 7.4), the time participants devoted to the group benchmarking process was paltry, particularly the amount specifically devoted to the common interest groups. On average, the researcher estimated that participating organisations devoted a total of about 33 man days to the entire group benchmarking process. Of this total, about 1/3 was spent preparing to benchmark (in this case

establishing the Network, and selecting benchmarking projects) the other 2/3rds, or approximately 20 man days, was actually devoted to the common interest group benchmarking process. Using estimates derived from the work of Spendolini (1992:35-37), participants' efforts represent less than ¼ of the effort expended on a typical benchmarking project (see Table 7.4). To make matters worse, the quality of the effort expended, in some cases, was poor. That is, participants often turned up for a common interest group meeting ill-prepared, having failed to adequately complete previous action items. This conclusion is supported by Manson (Western Engineering) who stated:

> *We got a questionnaire eventually but hardly at a fast rate. It was circuitous, it was long drawn out, it was because we held meetings once a month. I am sure some people did the work there and then on the day or the next day. I would suspect the majority of us waited till the morning of the meeting and tried to cobble something together.*

This became a particularly acute problem after the benchmarking questionnaire had been designed, and group members were asked to research potential best practice partners[clx] and make initial benchmarking contacts. Only one group member, Keller, succeeded in contacting partners or gathering benchmarking data using the group-designed questionnaire. In short, when most group members were asked to do much more than turn up for a meeting, they failed miserably. The lack of effort, particularly at critical junctures, is highlighted in the following quotes from members of the measuring customer satisfaction group. Roberts from Keller is quoted first. He stated:

> *You had offered them a carrot. I'm going to lead you through this process. I am going to give you some free education and training. I'm going to put you in a project team. I'm going to take you through how to identify processes to possibly benchmark. You led them through that process, and that is a pretty big carrot to hand out to people who have an interest, even if it is a mild interest. The time when it needed them to put in some effort of their own other than sitting there listening, suddenly time became a problem.*

Lack of effort is also highlighted by Brown of Palmer Equipment. He said:

> *Palmer Equipment's contribution was relatively good up to the point of doing the interviews, and then we seemed to drop off. Although we tried (to do the interviews), we didn't necessarily try hard enough. The commitment wasn't there at the end... to do the interviews. When Bob dropped out of the meetings, he lost interest. He was going to do the interviews with Cummins and then after the meeting in July...couldn't get the job done (passed it on to Paul B.) I didn't feel I was having much support from Bob. It was going to be just me doing it. So I had lost some interest in it. Benchmarking tended to get pushed to one side. Palmer Equipment did not put any commitment in the later stages.*

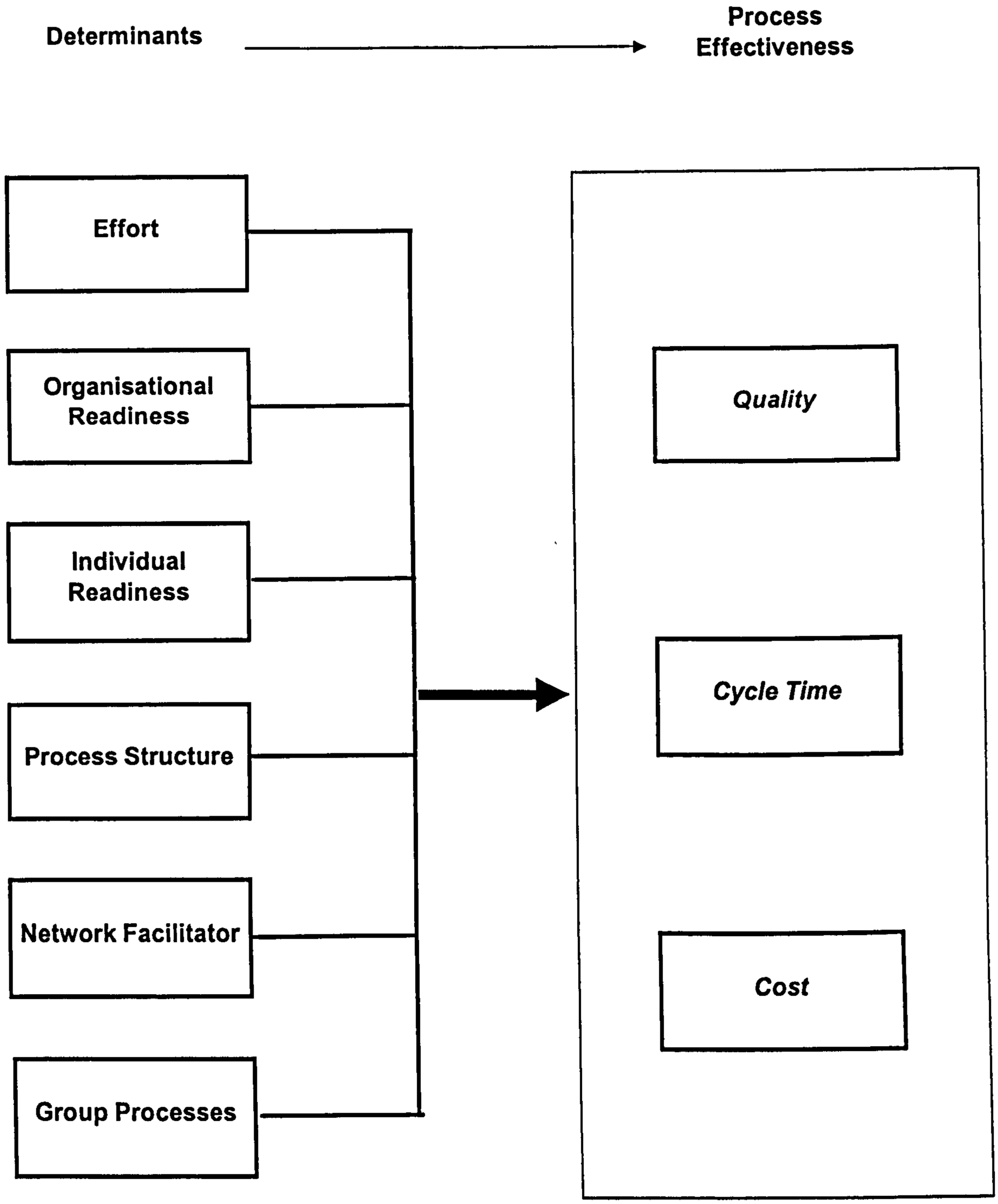

Figure 8.1: A Model of Determinants of Effectiveness of Group Benchmarking Process

In short, effort was never sufficient to do justice to the benchmarking process. This was the case during the common interest group benchmarking process as well as during the process of establishing the Network. Figure 8.2 illustrates how effort required increased over the course of the project. The figure illustrates that a significant proportion of effort is actually spent preparing to benchmark, rather than benchmarking. Effectively this is a 'cost' curve

for benchmarking, because time/effort represent the primary cost. The shape of the cost curve illustrates the importance of up-front preparation before rushing out to visit benchmarking partners. CCI (1993:1.42-1.44) for example argue that between 60% to 80% of a benchmarking team's time should be spent deciding what to benchmark and understanding their own process. Unfortunately, participants were unwilling and/or unable to match the effort required. To make matters worse, in many cases, effort actually declined significantly as the common interest group process unfolded and initial 'enthusiasm' waned. This only intensified the deficit between required and available effort and caused the sort of difficulties which are discussed below. In only one case, Keller, did effort available even approach effort required. The relationship between effort required and effort available during the common interest group phase is illustrated in Figures 8.3 and 8.4. Both Tables illustrate the point made above by Roberts (Keller); when the process began to look too much like hard work, many participants struggled to keep up. Leaving the last word to Campbell (Northern Hospital):

> *I personally put in a lot of time but I don't think I and the organisation put in as much as is needed. That may be because we are not prepared in terms of understanding what is needed to get that return.*

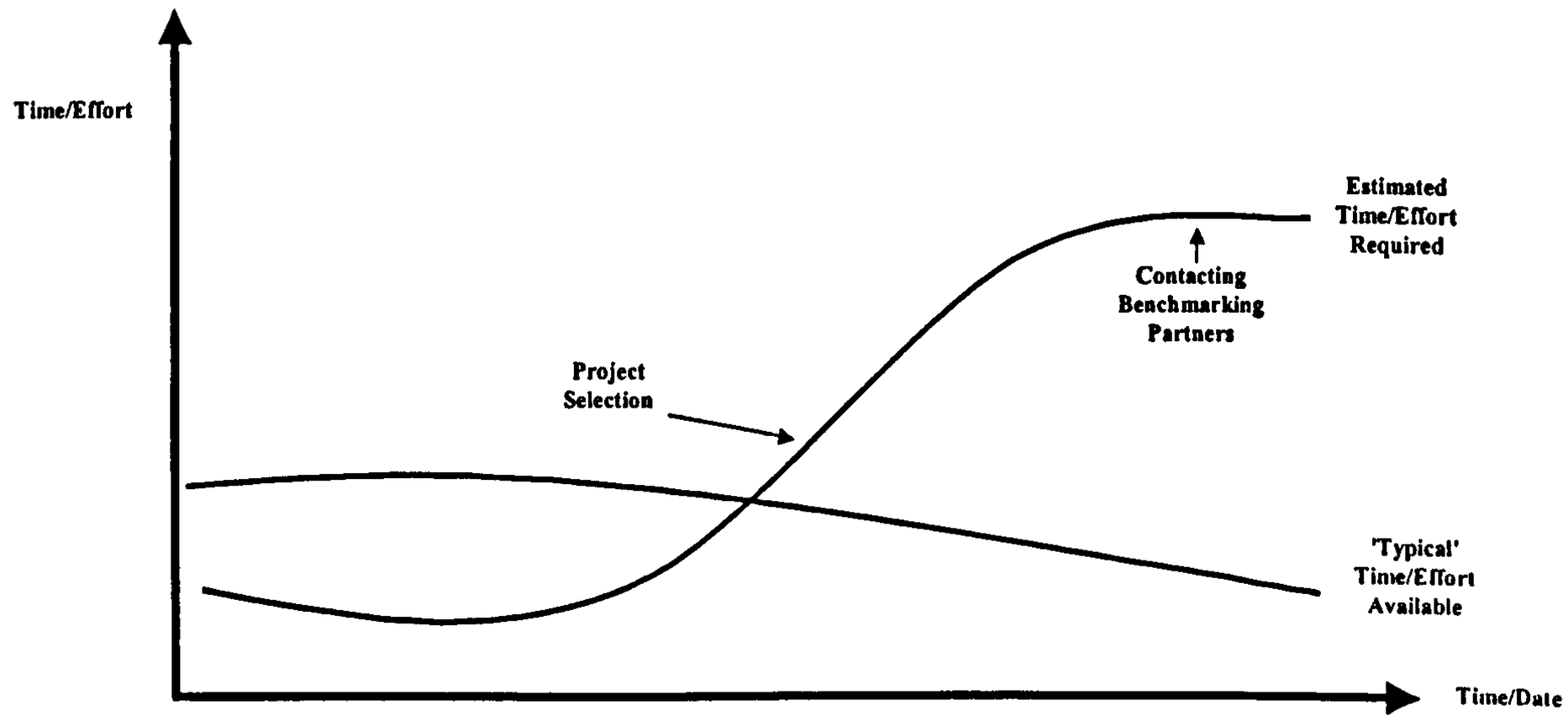

Figure 8.2: A Hypothetical Cost Curve for the Group Benchmarking Process Illustrating the Effort Required vs. Effort Available Over Course of Group Benchmarking Project

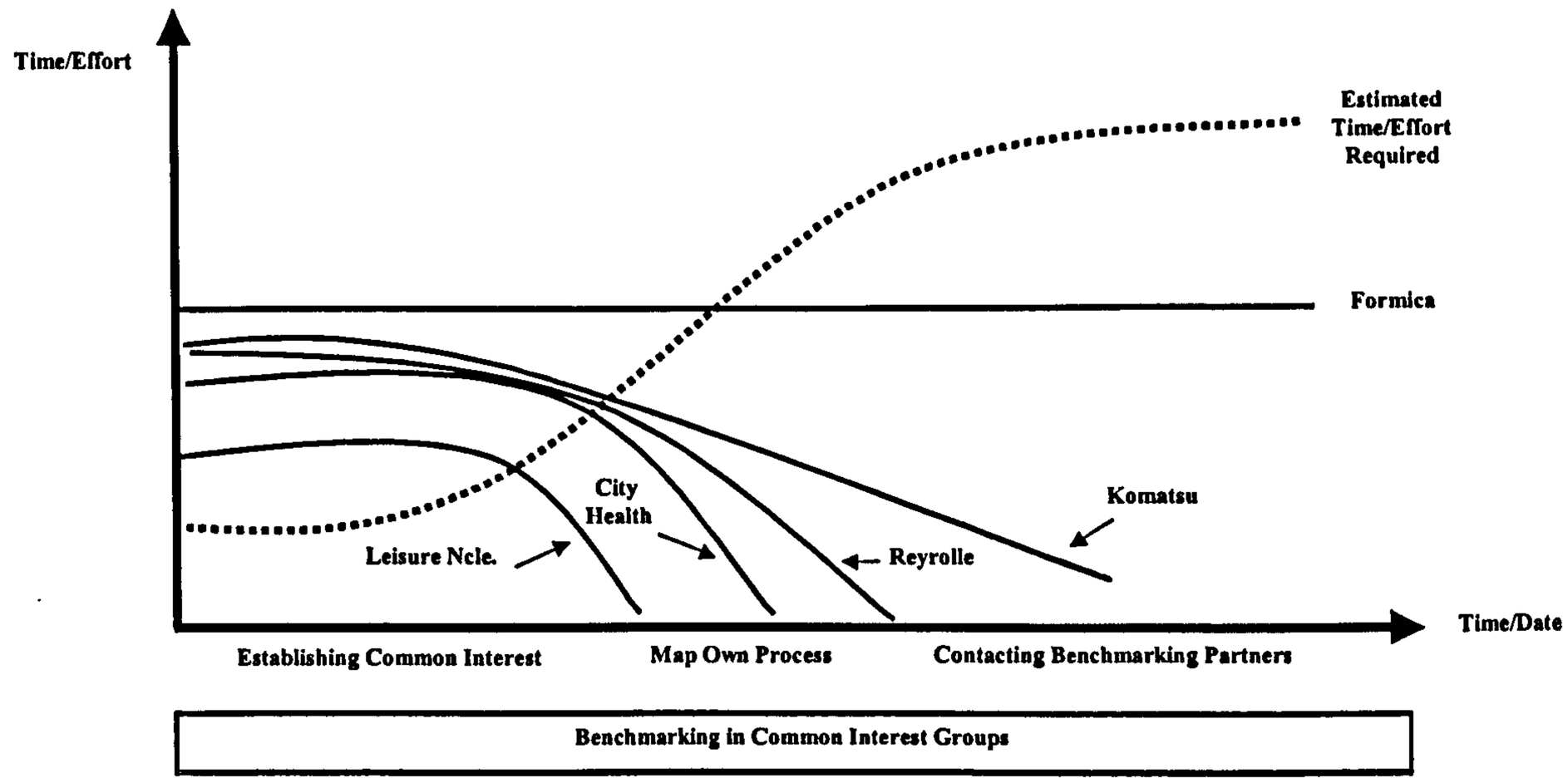

Figure 8.3: Effort Over Time- Actual vs. Required: Measuring Customer Satisfaction Common Interest Group

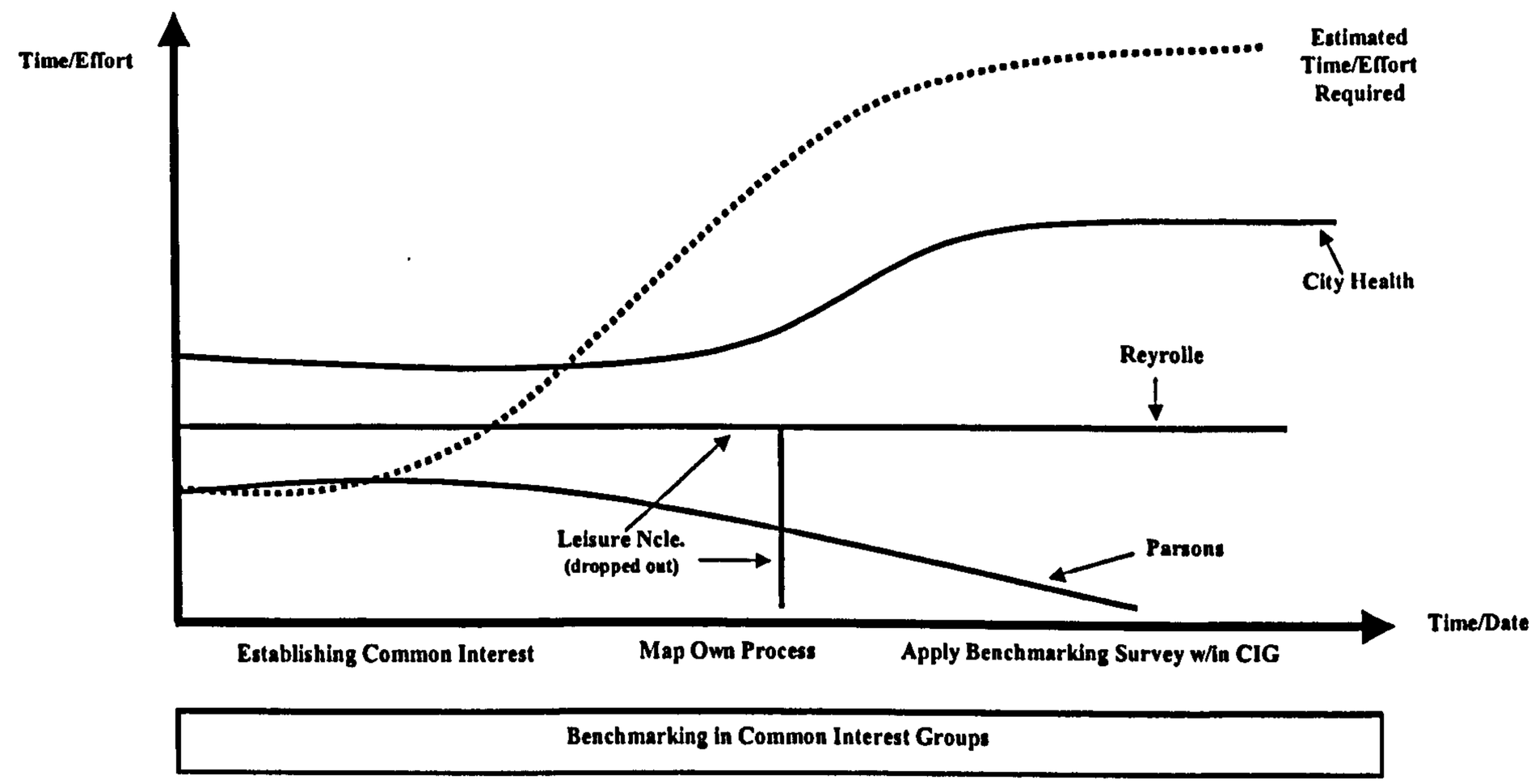

Figure 8.4: Effort Over Time- Actual vs. Required: Managing Change Common Interest Group

8.2.1 Impact of Effort on Process Effectiveness

The quantity, quality, timing, and steadfastness of effort by participants had a significant impact on the effectiveness of the group benchmarking process. This impact can be illustrated with several examples. In the case of the measuring customer satisfaction group, Keller (as illustrated above) were the most significant contributors, both in terms of quantity and quality of effort. Roberts devoted a significant amount of his time to the project, and

was further supported by a small team of his colleagues. No other organisation created a team to support their common interest group's efforts. Keller were also the most successful at finding better practice. This conclusion is supported by other members of the common interest group such as Campbell from Northern Hospital who stated:

> *Individually, I put the same amount of effort into both groups up to a certain stage. I then put more effort into the managing change group...I put more of my time, thinking and preparation into the managing change group than the other group...(As a result) An undue amount of work was done by John Roberts (Keller). I think the group recognised this and said we are going to learn from this. Keller, and John personally, put more effort and time into it than the rest of the group, myself included.*

Palmer Equipment also found better practice. Next to Keller, they were the most significant contributor to the common interest group. By contrast, Council Facilities Management and Western Engineering, contributed very little to the group, and appeared to derive little benefit from their limited efforts. In the case of the managing change group, Northern Hospital put in the greatest effort, in comparison to other CIG members, and appeared to reap the greatest reward. The remaining group members, particularly Verity Manufacturing, devoted relatively little time to the group, and could cite very little benefit. Tables 8.1 and 8.2 provides a summary of the relative effort/input by participating organisations, and the relative benefit/output they gained. As the Table illustrates, there appears to be a clear relationship between input and the relative effectiveness of the process. Everything else being equal, the greater the input/effort, the greater the output/result in terms of finding better practice. In this case, lack of effort had a significant, negative impact on participants' efforts to find best practice.

Organisation	Rank Input (Quantity & Quality)[cx]	Rank Output
Keller	1	1
Palmer Equipment	2	2
Western Engineering	3	3
Northern Hospital	4	4
Council Facilities Management	5	5

Table 8.1: Relative Input vs. Relative Output- Measuring Customer Satisfaction Group (i.e. who put the most in, who got the most out)

The link between outcome and input is well developed in the benchmarking literature. Watson, for example, was quoted earlier as saying 'most benchmarking efforts are 90% inspiration and 10% perspiration' and that the emphasis should be reversed. Similarly, Coopers and Lybrand (1994, 1994a) indicated that lack of resources is a common reason

why benchmarking efforts encounter difficulties. In other words, the organisation is unwilling (or unable) to put in the effort required to achieve a result. This is also highlighted as a problem by Spendolini (1992). In Szulanski's (1995, 1996) model, effort is related to the motivation of the recipient. Without motivation, there is unlikely to be much effort. Kunst et al (1996:5) also found that 'the success and results of networking in the field of quality are closely related to the willingness to actively participate in sharing knowledge and experience.' In this case, effort was generally 90% inspiration and 10% perspiration, and as a result, the process was less effective in terms of finding best practice.

Organisation	Rank Input (Quantity & Quality)	Rank Output
Northern Hospital	1	1
Western Engineering	2	2
Council Facilities Management	3	3
Verity Manufacturing	4	4

Table 8.2: Relative Input vs. Relative Output- Managing Change Group (i.e. who put the most in, who got the most out)

The level of effort also had a significant impact on the cycle time[cxl] of the group benchmarking process, another key element of the definition of effectiveness. In this case, because participants allocated very little time to the process, it proceeded at what many perceived as an anaemic pace. ½ day meetings were spaced out over a four to six week period. On average, participants spent less than one day working on common interest group business between the meetings. As several participants suggested, the group could have accomplished much more by locking themselves in a room for a week, rather than by pottering about for the better part of nine months. This view is nicely summarised by Stevens (Western Engineering), who stated:

> *Overall, it's slower than it needs to be. Companies are not willing to let someone spend 5 hours a week on it, instead of 5 hours a month.*

Because input was limited, often of dubious quality, and was distributed over an extended period, results were slow to emerge. Because results were slow to emerge, participants lost interest in the process. Whatever benefits the process could deliver were simply pushed further and further into the future.

The figure illustrates that limited effort simply pushes the benefits curve farther to the right and effectively increases the payback period.

8.2.2 Factors Which Influenced the Quantity, Quality, and Steadfastness of Effort: Priority and Expectations

The discussion leads naturally to the question- Why did participating organisations devote so little effort to the group benchmarking process, and why did the level of effort decline as the process developed? The simple answer is: For most organisations the benchmarking process and the Benchmarking Network were not particularly high priorities. Whilst benchmarking had received a significant amount of publicity at or around the time of this study, there is little evidence that it was actually a particularly high priority for most of the organisations (and individuals) participating in this study. The following quote illustrates nicely the priority of benchmarking for most of the participants in this study:

> *Reading between the lines and the body language, I sense they view benchmarking as just another initiative which puts us under pressure we don't need. I think they are a wee bit cynical about what it can offer. In a different year, if we could clearly identify something worthy of benchmarking then perhaps we could get good backing. The nervousness is about this year. It's like the order book is full and we are just not capable of doing any more, and this has come at a bad time for us.* [cxii]

This was compounded by participants who short cut the preparation phases and selected benchmarking projects that were not clearly linked to their organisations' critical success factors, or to their own personal objectives. As a result, not only were the Benchmarking Network and the benchmarking process relatively low priorities, but the specific benchmarking projects chosen by participants were often a relatively low priority. Again, Lawrence from Xerxus nicely illustrates this point:

> *We put together a list of areas where we could carry out a benchmarking project without perturbing things too much. To commit resources in a big way we typically budget for that and form small teams that are acknowledged to be working on things, benchmarking had missed the boat in terms of that kind of commitment.*

Because neither benchmarking, the Benchmarking Network, nor the process being benchmarked by the common interest group was a high priority for most participating organisations and individual participants, effort was limited.

Low priority was underscored by the assignment of relatively junior personnel to the Project. In only one case, (Keller) was the project assigned to what could be described as a key player in the organisation's management team. Similarly, only in the case of Keller was a part-time team created to tackle the project. In all other cases, it was strictly a one-man (or occasionally two-man) operation. In most cases, the task fell to the quality manager or equivalent and/or one of his assistants, neither of whom tended to be particularly influential members of the management team.

Another reason why so little effort was put into the group benchmarking process was participants' expectations. Despite the hype, neither benchmarking, nor common interest group benchmarking, were particularly well understood by most participants. This was not untypical at the time, as Spendolini (1992), Coopers and Lybrand (1994, 1994a), and Watson (1993) have all illustrated. As will be discussed further below, most participants (and their organisations) had little or no benchmarking experience. As a result, they had little idea how much the process would actually require in terms of time and effort to do it 'properly'. Likewise, they had little idea how long it would take before the process would deliver tangible benefits. For most participants, their only 'benchmark' for benchmarking was the Best Practice Club, which was basically a form of industrial tourism. The Best Practice Club, did, however, appear to provide tangible, albeit limited, benefits with very little expenditure of effort/time. Whilst participants had expressed a desire to move beyond the industrial tourism approach of the Best Practice Club, they didn't appear to understand how much more time consuming benchmarking would be, or how long it would take to produce tangible results.

The Best Practice Club required at most 1 man day per month[cxiii] (per organisation), most of this occurred after regular business hours. On average, Network members increased their input by 100% to approximately 2 man days per month. However, that was still far short of what the process required. To make matters worse, the researcher was not terribly clear about the resource requirements of the project at the outset. He was not sure how much time participants would need to devote to the group benchmarking process, because he didn't know exactly what the process would look like, or how prepared the participants were to undertake a benchmarking project. Like the participants, he didn't know too much about benchmarking at the start, and didn't wish to alarm participants, who might be concerned about resource requirements, with inflated estimates of the 'costs' of benchmarking. As the process unfolded, a number of things became clearer. These included:

- group benchmarking (and benchmarking) was more complicated than initially envisaged
- participants were significantly less prepared than originally estimated which made the preparation phase take even longer
- tangible benefits from benchmarking accrue slowly and only after a significant amount of 'preparation'
- most participants were not willing to wait patiently for benefits to accrue. Instead they limited, or withdrew their effort as the benefits of the benchmarking process became increasingly ephemeral.

Participants, particularly at the outset, seemed to think the process would be easy, because learning from others is almost second nature for many people. This fallacy is, unfortunately, a typical problem amongst would be benchmarkers, according to Spendolini (1992). Because most participants didn't understand benchmarking, they underestimated how much effort it would take. Furthermore, few participants recognised the value (at the time) of preparation, instead taking a 'just do it' approach to benchmarking (see Spendolini, 1992; Camp, 1995, CCI, 1993). Unfortunately, 'just doing it', works well on television, but not so well in real life. Finally, some of the participants' expectations were limited to learning how to benchmark, as opposed to benchmarking to find better or best practices. Given this more limited expectation, it is, perhaps, not unusual to find that they were unwilling to devote more substantial resources to the project. Essentially, they allocated the resources needed to achieve their rather limited objectives.

8.2.3 Alignment of Individual and Organisational Priorities

Priority was an issue at both the organisational and individual levels. It was important that both the organisation and the individual participant believed that benchmarking, the Network, and more importantly, the common interest group benchmarking project were priorities. Only in the case of Keller was this 'alignment' achieved. As Roberts (Keller) explained when asked why his effort was significantly greater than other participants, and didn't tail off towards the end of the process:

> *I promised to deliver something to my boss. I'd sold something to my boss and I wasn't prepared to say- 'Sorry boss I've got better things to do'.*

When questioned as to why other group members didn't respond in a similar way, Roberts was typically forthright:

> *I don't think they (the other four companies) had sold it to their boss at all. I think that they were perhaps autonomous.- They authorised it themselves...Manson probably felt he couldn't go to Smith and say- 'This is a waste of time. Let's forget it. Let's forego being host and secretary.' As long as he produced a piece of paper once a month and circulated it around as a record of the last meeting, sat there in the chair for an hour and a half once a month, it was easier than sitting at his desk being battered by line managers.*

The importance of personal commitment is also raised by Campbell (Northern Hospital) who stated:

> *As the project progresses, some will stick with it, some won't. I think some of it may come down to personal commitment. I personally have a commitment to it. I personally can see some benefit from it, in terms of my own learning. I think the two have to match up- the organisational commitment and the personal commitment. I think it will be driven by individuals within organisations that can see the benefit of it.*

It is also reinforced by Manson (Western Engineering) who reflected on his relative lack of effort and how it was impacted by the lack of interest and commitment shown by his organisation. According to Manson:

> *All right, it is an easy excuse for me to say that I was not given the resource, I was not given the time. To be honest I could have made it. I could have chosen to do this rather than something else. I might have had to stand up and argue the case...*

When asked why by the researcher, Manson responded:

> *Probably because if I didn't put the effort into this nobody was going to complain. If I didn't do something else I would have got shouted at or asked why I hadn't done it. I mean, to say we were not given the resource is true, but it is the easy option. It could have been got round, I could have gone and said 'Barry look, I need the resource to do this, or I need to be allocated time or whatever'. I did not do that, so I am as much to blame as anybody.*

In most of the participating organisations, a commitment to benchmarking and the common interest groups was professed at the outset. However, the profession was never translated into action, at least to the extent required to do justice to the benchmarking process. In addition, as the process unfolded the commitment tended to fade quite badly, as other activities took priority over the common interest group benchmarking process. At Keller the managing director made a commitment to the process. Roberts made a commitment to the process. In their organisation, a commitment was a promise to do whatever was necessary to complete the task. In most of the other organisations, the management commitment to the process was, borrowing the words of Baker (Verity Manufacturing) 'faked sincerity'. Even if individuals were personally committed to the process, there was a fundamental limit to what they could accomplish without support from their organisation. As Roberts pointed out:

> *Unfortunately in the c.i.g. the people that were there thought they were role models when they started. The trouble was they had forgotten the people above them who were diverting their attention and they weren't able to act as role models. I was because I've got a boss who lets me do what I want to do. I might frustrate him at times because I don't know what he wants me to do but he doesn't know how to tell me how to do it. He doesn't know how to guide me so he just lets get on and do it.*

In the case of Keller, individual priority and organisational priority were more or less aligned. In most cases, alignment was missing. This is illustrated in Table 8.3 which summarises the relative organisational priority and individual priority of benchmarking, the Benchmarking Network, and the specific benchmarking project. In this case study, it was observed that individual commitment couldn't fully overcome lack of commitment at an organisational level. However, it was possible for an 'uninspired' individual who has been 'volunteered' for the

assignment by his organisation, see for example Boxer, Manson, and to some extent Stevens, to significantly diminish the effectiveness of the group benchmarking process, by providing a bare minimum input of their own time. The inspired quality manager, with little organisational support can make some progress, but is unlikely to reach the best practice or even better practice level without significant backing from his organisation. Most likely he will reach the level of better understanding of the benchmarking process and possibly good practice. In an ideal world, both the organisation and the individual participant(s) consider benchmarking, the Benchmarking Networking, and the project a relatively high priority. As a result they are likely to be more willing to put forth the resources and effort necessary to help ensure its success. Unfortunately, in this case, individual and organisational priorities tended to be low. In addition, they didn't tend to intersect.

8.2.4 Why Group Benchmarking Wasn't a Priority: Cost-Benefit Analysis

One of the obvious insights to emerge from the data was that benchmarking and the group benchmarking process were competing for scarce organisational resources with a myriad of other activities. These activities included other forms of continuous improvement and quality networking, as well as simply the day to day activities of the organisation.[cxiv] As one participant pointed out:

> *We have 70 objectives for 1995. Twenty one are priority items which we need to do to achieve our targets of lead-time, inventory, service, right-first time, etc...I think because we have a hell of a lot to do just to hit our 1995 target, continuous improvement is still not viewed in the right way. It's viewed like a wasp on my shoulder. It's clinging to me and I cannot get it off, and if I don't do something it's going to sting me.*[cxv]

This meant that organisations (and participants) had to make choices amongst the various alternatives competing for their limited time. Assuming even a small degree of rationality (see for example, Simon, 1979; Dawes, 1988), this suggests that participants made some attempt to assess the benefits and costs associated with the various alternative courses of action available to them, and calculated the net benefit of each alternative. Net benefit then provided at least one of the criteria which they used to determine priorities and to allocate scarce resources. This process was never made explicit, but it was clear from the data, that participants made some crude assessment of the net benefits of the group benchmarking process, compared those benefits to other alternatives, and allocated their time accordingly.

Organisation	Benchmarking Priority		Network Priority		Project Priority	
	Organisation	Participant	Organisation	Participant	Organisation	Participant
(Measuring Customer Satisfaction)						
Keller	M	M/H	L/M	M	M/H	H
Palmer Equipment	L	L/M	L	L	L	L/M
Western Engineering	L/M	L	L	L	L/M	L
Northern Hospital	L/M	M/H	L/M	M/H	L	L
Council Facilities Management	L/M	L/M	L/M	L/M	L/M	L
(Managing Change)						
Northern Hospital	L/M	M/H	L/M	M/H	L	H
Western Engineering	L/M	L	L	L	L	L
Council Facilities Management	L/M	M	L/M	L/M	L/M	L/M
Verity Manufacturing	L/M	L	L/M	L	L	L

Table 8.3 Organisational and Individual Priority: Benchmarking, The Network, The Common Interest Group Benchmarking Project (based on participants' and the researchers' observations). Note: L= Low priority; M= Medium priority; H= High priority; L/M= Low to Medium priority, etc.

The quote below helps to illustrate this point:

> *You've got to be able to convince people that the time required is going to be of benefit is going to give an improvement. Gone are the days we've got people walking around with pads of paper which we could call on to do those sort of things. Most people have two or three jobs not one and to fit that in is difficult. Therefore, we have to pitch it at a level which people can actually contribute and see that they can get something from it. That would be the only criticism I would raise.*[cxvi]

Working backwards from the observation that little resource was allocated to the group benchmarking process, the first conclusion which can be drawn is that it wasn't a particularly high priority for most of the organisations or individuals participating, relative to other uses of their time. The second conclusion is that, relative to a number of other alternatives, the perceived net benefits (i.e. benefits less costs) were smaller. The absolute level of net benefit is neither important nor calculable in this case. Likewise, precisely how benchmarking or group benchmarking compared other alternatives is unknown. However, what is interesting in the context of this research is participants' perceptions of the costs and

benefits of the benchmarking and the group benchmarking process, what factors drove the perceived costs and benefits, how those perceptions changed over time, and the shape of the cost and benefit 'curves' for benchmarking and group benchmarking.

Participants were able to cite a number of potential benefits to be gained from benchmarking, and more specifically, from participating in the group benchmarking process. These benefits can be summarised as follows:

- Find better/best practice and improve performance as a result of its application
- Learn how to benchmark/Develop benchmarking skills
- Widen their network of contacts and potentially develop benchmarking partnerships with leading organisations
- Motivate employees (or as one participant put it 'pump up employees' tyres')
- Reduce insularity and internal focus
- Be perceived as a leading local organisation by demonstrating use of a 'cutting edge' management tool, and mixing in the company of leading lights in the local business community.

No attempt was made to quantify these benefits, though it was clear from the interviews that the first two benefits were of primary interest to most participants and participating organisations. Most of the benefits cited above could have been achieved by benchmarking outside the context of the Network or common interest groups. The Network and common interest group approach also had what could be called 'enablers' or facilitators of the benchmarking process. These included :

- Synergistic process gains as a result of working in an inter-organisational benchmarking team.
- Economies of scale in training and facilitation
- Reduction of barriers to the transfer of best practice between cig and network members
- A 'support' network to encourage the benchmarking process
- Facilitation and honest broker services

These enablers had the potential to increase the probability that the benefits of the benchmarking process would be delivered in an effective manner. Again, these enablers were unquantifiable, though it was clear from the interviews, that a number of these enablers were expected (and in some cases delivered).

The primary cost of benchmarking, as highlighted earlier, is time. Time is spent directly on the benchmarking process, as well as reciprocating benchmarking visits (in theory, every benchmarking visit you make, you should expect to host one in return). In addition, travel

can also be a substantial expense. Earlier, estimates ranging from 87 man days to 258 man days (see for example, Camp 1995:121; APQC, 1993; CCI, 1993; Spendolini, 1992:35-37). This does not include the time required to decide what to benchmark, to reciprocate visits, or to implement any practices discovered by the benchmarking team. In addition, these estimates are likely to be based on relatively experienced benchmarking teams, working outside the context of a benchmarking network or common interest group. Inexperienced benchmarkers are likely to take considerably longer to accomplish the task than experienced practitioners, due to learning curve effects. In this case there were also co-ordination problems and process losses within the common interest groups which added to the perceived costs. The net effect was to make the benchmarking process even more time consuming.

The primary issue in this case wasn't the absolute value of either the costs or the benefits of the group benchmarking process, for it was beyond the scope of this research to make any determination of their absolute value. However, it was possible to identify, in this setting, the factors underlying the costs and benefits, and to better understand the relative shape of the cost and benefit curves perceived by participants. Figure 8.5 depicts a hypothetical total benefits curve for the group benchmarking process[cxvii] as perceived by an organisation (or individual participant). It is based on an understanding of how tangible benefits are delivered over the course of a typical benchmarking project, as well as the experience of this project. Recall from Chapter One the key steps in the benchmarking process. They were as follows:

- Decide what to benchmark
- Measure
- Research
- Compare
- Understand
- Adapt

It is not until the end of the process, when the best practices are adapted and implemented, that the majority of tangible benefits are achieved. Some improvement may come during the preparation stage, particularly when measuring and reviewing current performance and practice. However, until the new best practices are implemented, few hard, tangible benefits will be observed. As pointed our earlier, this could be well over a year after the start of the benchmarking project (recall also Szulanski's estimates of the time required for internal best practice transfer).

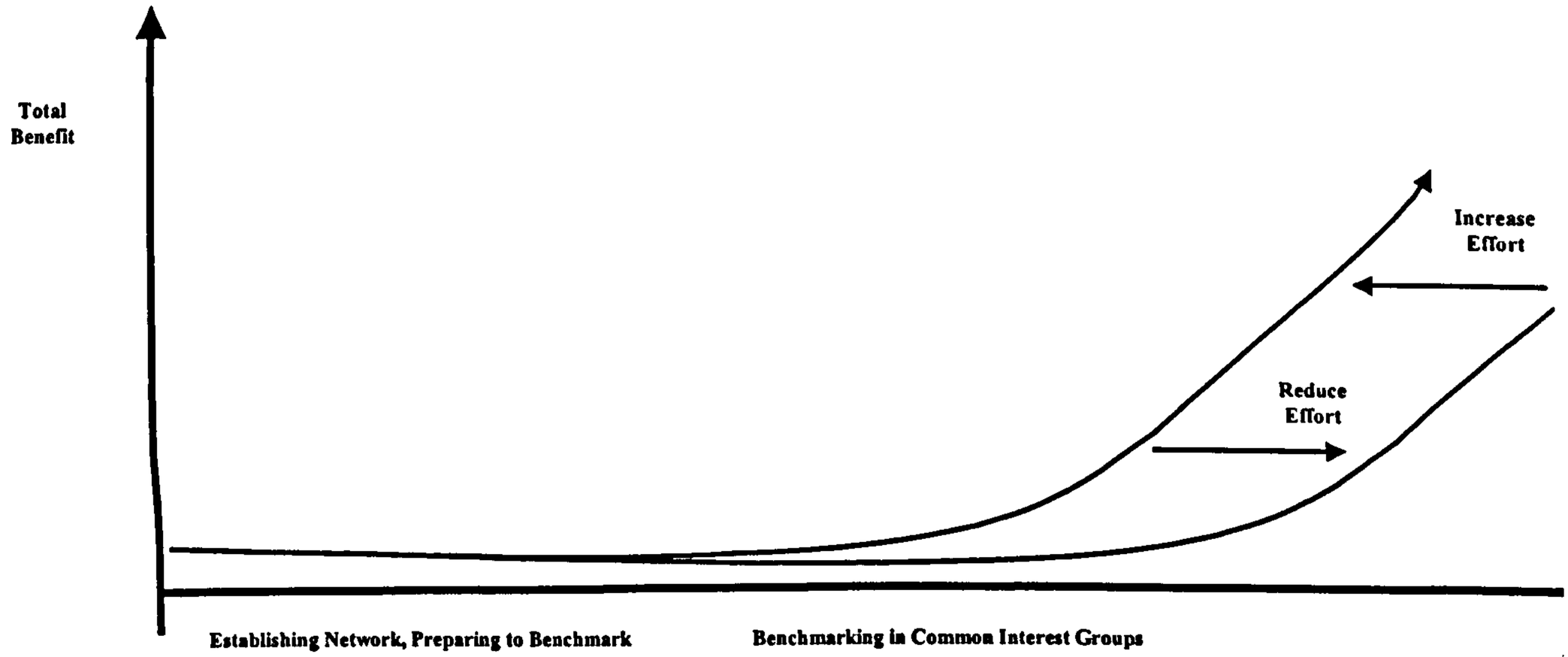

Figure 8.5: Hypothetical Benefits Curve for Group Benchmarking

In the case of the group benchmarking process, benefits were delayed even further because the benchmarking process actually started with establishing the network and learning to benchmark, before moving into the common interest group phase. During this time, participants were preparing to benchmark which most experts (see for example Camp 1995; Watson, 1993, Zairi and Leonard 1994) consider to be the key stage in the process. Before actually discovering any useful best practices which could be applied within their organisation, participants were expending effort within the Network to agree an approach to benchmarking (the Organisational Meeting in this project), formulating an appropriate code of conduct (Protocol Meeting), deciding what to benchmark (Project Selection), finding a suitable common interest group partner (Exchange Meeting), understanding their own process (first 4 steps of the Common Interest Group), and finding suitable best practice benchmarking partners (steps 5-6 of the Common Interest Group). This does not include any of their efforts to involve/mobilise other individuals (from their organisation) in the Network.

Unfortunately, during this planning phase, little tangible benefit is likely to emerge, while increasing resources are being expended. It is not until a common interest group has nearly reached completion that the participant may begin to see clear tangible benefits from the implementation of better/best practice. It is also likely to be even longer before the best practices discovered as a result of participating in the common interest group are fully transferred and begin to deliver real benefits. Any longer term benefits, such as the

development of benchmarking partnerships, or learning how to benchmark more effectively, are even farther down the road. The additional preparation of the group benchmarking process resulted in a benefits curve which was likely to be flatter for a longer period of time than what would be observed in a standard benchmarking exercise. This suggests a benefits curve of the shape depicted in Figure 8.4. That is, 20% of the tangible benefit during the first 60-80% of the project, then 80% of the tangible benefit being delivered in the remaining 20% of the time.

On the other side of the equation are the costs of benchmarking. Figure 8.6 depicts a hypothetical 'cost' curve for a typical benchmarking project. Like the benefits curve above, it reflects the underlying nature of the benchmarking and group benchmarking process. In a typical benchmarking project, 60-80% of the time is spent on preparing to benchmark, rather than actually observing best practice in action or trying to adapt it to your own setting (CCI, 1993:1.42-1.44). This time includes all of the steps (above) up to the stage of 'compare'. Once this has been done, the costs may start to 'level off'. In the case of group benchmarking, the additional preparatory steps, like establishing the Network and learning to benchmark, effectively increased the 'costs' of benchmarking, thereby making the curve even steeper at the outset. The cost curve is illustrated in Figure 8.5.

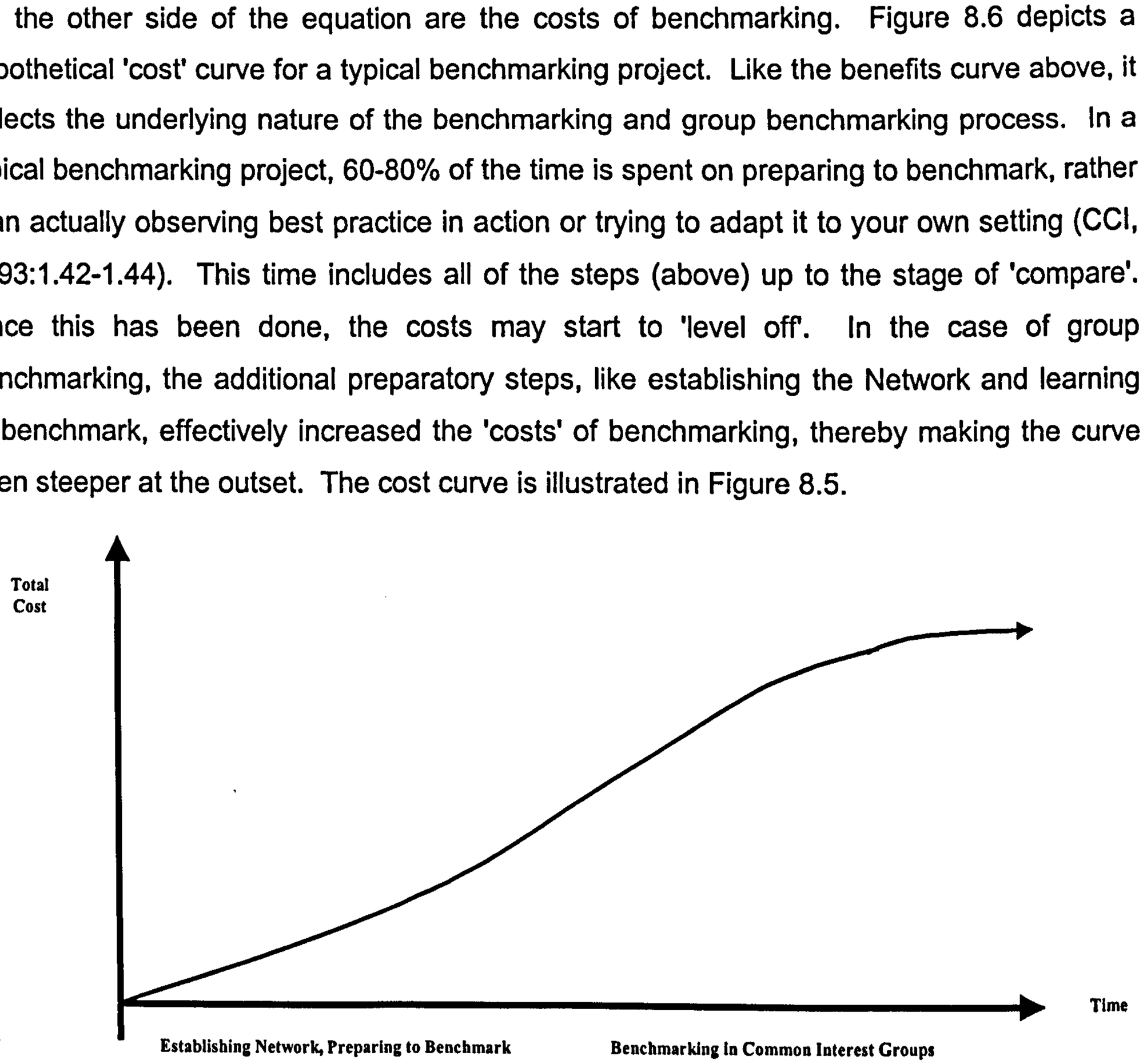

Figure 8.6: Hypothetical Cost Curve for Group Benchmarking

When you put the two curves together, a picture of the net benefits of the group benchmark process becomes clear. As Figure 8.7 highlights, few if any tangible benefits appeared until the process was nearly complete. At the same time, costs (in the form of participants' time)

were accumulated from the start, and only began to level off towards the end. For most of the process, the net benefits were negative. Because the net benefit was negative during most of the project, the group benchmarking process did not compare favourably to other alternatives with shorter payback periods. As a result, it tended to drop to the bottom of the list of organisational and individual priorities. This led to even less effort being applied to the process, which in turn delayed even further the deliver of tangible benefits. This resulted in the vicious circle mentioned above. In summary, the benefits were slow to emerge, the costs piled up, and the process began to look less and less like a good investment relative to other alternatives. This resulted in reduced input, which led to reduced output. How it might be possible to avoid or break this cycle is discussed in the final chapter of this dissertation.

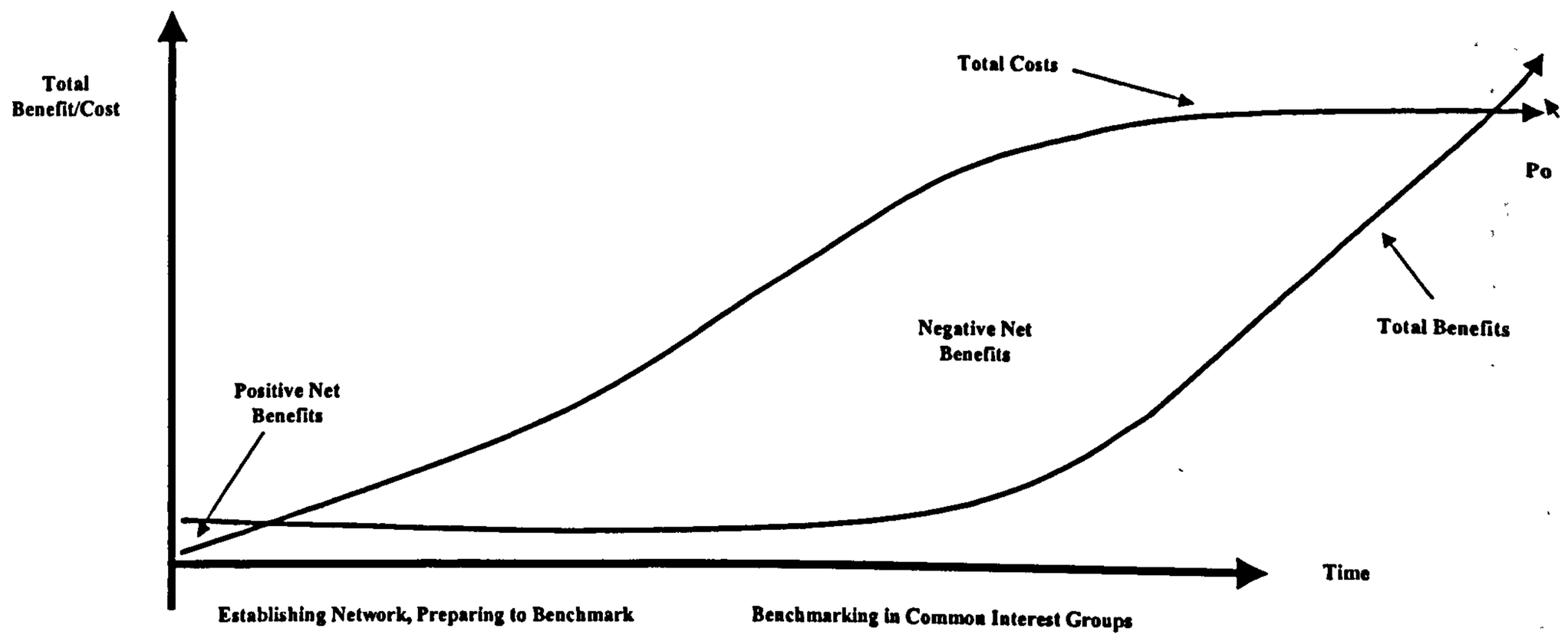

Figure 8.7: Illustration of Net Benefits of Group Benchmarking

8.3 Organisational Readiness

A second determinant of group benchmarking process effectiveness to emerge during this study was labelled by the researcher as 'organisational readiness'. This referred to the participating organisations' preparation for business process benchmarking which reflected both their previous benchmarking experience as well as their level of quality maturity, an issue discussed extensively in Chapter 3. Given the variety of interpretations of benchmarking (see Chapter 3), benchmarking experience of the business process variety, which focused on both practices and measures, was a particularly important component of readiness. If an organisation had been through the benchmarking process before, it was likely to better understand the project selection process, the basic process steps, as well as the resource implications of benchmarking, the cycle time of a typical project and the

expected payback period. The second component of readiness was quality maturity, which reflected the extent to which an organisation had embraced the key concepts of total quality management. In the absence of any formal benchmarking experience, the organisation's readiness in terms of quality maturity, was of fundamental importance. Quality maturity is the foundation of effective benchmarking, particularly business process benchmarking, which is considered an advanced quality management tool (see for example, Watson, 1993; Oakland, 1993; or Zairi, 1994). As discussed in Chapter Three, a commitment to continuous improvement, a clear understanding of critical success factors and a focus on managing processes, not just results, tends to be associated with quality mature organisations (see for example, Dale and Smith, 1997; Watson , 1993; Oakland, 1993; Hackman and Wageman, 1995). The absence of these fundamental characteristics of quality maturity made it difficult to effectively apply business process benchmarking (see Watson, 1993; Camp, 1995; Zairi and Leonard, 1994), as will be described below.

8.3.1 Level of Readiness in This Case Study

Table 8.4 summaries the level of benchmarking experience and quality maturity of the organisations participating in this study (see Appendix 17 for a further discussion of this issue and the 'semi' raw data upon which the Table is constructed). As the table clearly illustrates, participating organisations generally had very little prior benchmarking experience. Only one had conducted a business process benchmarking study, though several had been involved in internal or competitive studies which focused primarily on performance measures. The table also illustrates that the level of quality maturity, particularly amongst the members of the common interest groups was not particularly high. For example, the average EFQM score for a common interest group member, hovered around 315 points. Similarly, most were in the initiator-drifter category on the scale proposed by Dale and Smith (1997) and the inspection-control level of quality maturity described by Watson (1993) based on his interpretation of Crosby (1979). With the exception of NRS, the remaining participants were significantly more mature than the common interest group members. Perhaps they were mature enough to recognise the difficulties of group benchmarking, particularly as part of a common interest group composed of relatively immature and inexperienced organisations.

8.3.2 Impact on Process Effectiveness

Organisational readiness, or in this case, lack thereof, had two primary impacts:

- a sharp learning curve for the benchmarking process
- the need to do additional preparatory steps in addition to the benchmarking process

As a result, the effectiveness of the group benchmarking process was diminished. Because most participating organisations were benchmarking 'novices' they were on a relatively steep learning curve. This meant that it took participants more time to execute each step in the process. Lack of quality maturity compounded matters making it necessary for most organisations to do additional preparation as part of the benchmarking process. Most of this pre-work related to deciding what to benchmark. To do this effectively, an organisation needs to have clearly identified its critical success factors and defined the business processes which supported them, or at least be comfortable with the process of doing so. That way, they are in a position to select benchmarking projects which would have a significant impact on C.S.F.s, and hence organisational performance. Pre-work involved defining critical success factors, key business processes, and selecting appropriate business process benchmarking projects. For the less mature, this process can take longer because they are starting from scratch. Quality mature organisations should have systems of review which are used on an on-going basis to identify processes which need improvement. Thus, they shouldn't need to expend significant additional time and effort to get ready to benchmark, like many of the participants in this study.

This crucial step brought the group benchmarking process to a standstill. Most organisations involved in this study had not taken this crucial step. Few were willing and/or able to complete these important steps as a pre-requisite for group benchmarking. In addition, once the common interest group process was underway, the lack of a process management focus, a key feature of TQM (see for example, Hackman and Wageman, 1995 or Powell, 1995) meant that individual participants were starting from scratch in their attempts to map, measure, and understand existing process prior to preparing a benchmarking survey. This point is highlighted by Roberts (Keller) who commented:

> *Perhaps we are spending too long on defining our own process because we are tackling a topic where we don't have a process to define. Therefore there is a certain amount of creativity going on as to how we would do it if we had one (i.e. a process) going on...*

Organisation	Benchmarking Experience		Quality Maturity		
	Business process study?	Overall	EFQM Score	Dale & Smith	Watson-Crosby
CIG-Members					
Northern Hospital	No	Low	250-300	Initiator	Inspection-Control
Council Facilities Management	No	Low	300-350	Initiator	Inspection-Control
Verity Manufacturing	No	Low	250-300	Initiator -Drifter	Inspection-Control
Palmer Equipment	No	Low	350-400	Drifter-Improver	Control-Partnership
Keller	No	Low	350-400	Drifter-Improver	Control-Partnership
Western Engineering	No	Low	250-300	Initiator	Inspection-Control
			290-340 avg.		
Non-CIG Members					
Xerxus	No	Low	400-450	Improver	Control-Partnership
NRS	No	Low	150-200	Uncommitted	Inspection
Gordon Precision Equipment	No	Low	400-450	Drifter-Improver	Control-Partnership
Yellow	Yes	Medium	500-550	Improver	Partnership
Miller Pharmaceuticals	No	Low-Medium	450-500	Improver	Control-Partnership
			380-430 avg.		

Table 8.4: Readiness to Benchmarking- Previous Benchmarking Experience and Relative Quality Maturity (based on the researcher and participants' assessment)

The topic being defined was the customer survey process, which arguably, should be one of the more effective and highly developed aspects of a quality mature organisation. The situation in the managing change group was similar. In both common interest groups, participants were attempting to benchmark a process that was either poorly defined or non-existent.

The net effect of the steep learning curve and the requirement for additional preparation was to increase the total 'cost' of the group benchmarking process. In practice, the primary impact was to increase the cycle time and reduce the quality of execution. Participating

organisations (and individuals) had apparently put an implicit limit or threshold on the amount of effort/time they would dedicate to the group benchmarking process. This could be described as a 'threshold of pain', similar to the threshold of participation identified by Kunst et al (1996). Essentially, this threshold established the maximum percentage of time an individual participant from the organisation could/would devote to group benchmarking during any period. If the process required more time than was available during that period, then one of two responses was observed. The participant delayed the action until the next time period, thereby increasing the cycle time. Alternatively, the participant short circuited the process and (in some cases) diminished the outcomes. The total cost may have increased, but was spread over a longer period of time.

The project selection process illustrated both of these effects. In the first case it stopped participants in their tracks. Given the limited amount of time they had available for group benchmarking, they decided that the structured benchmarking selection process designed by the researcher was too complex. It was simplified and the group took another step towards benchmarking. However, because they had spent very little time considering what to benchmark or how it was linked to critical success factors, they ran into significant problems later in the process. The managing change group ended up trying to boil the ocean, i.e. an un-benchmarkable benchmarking project. The majority of the measuring customer satisfaction group, with the exception of Keller (and to a lesser extent Palmer Equipment) discovered that the project they were working on was not an organisational priority. As a result, they lost interest and their level of effort tailed off significantly towards the end of the project as illustrated above.

The learning curve effect is well recognised in the benchmarking literature. For example, Camp (1995) argues that the amount of effort needed to benchmark effectively tends to be much greater for beginners, like the organisations in this case study than for experts. Some experts (e.g. Watson, 1993) have suggested it is useful for an organisation to start with internal benchmarking before moving on to more complex competitive and business process studies. The group benchmarking process actually attempted the most complicated form of benchmarking with a very inexperienced group of participants who were unwilling and/or unable to devote adequate resources to the process. The result was fairly predictable.

8.4 Individual Readiness

Closely related to organisational readiness, was the benchmarking experience and process knowledge of the individual participants. In other words, were the individual participants ready to benchmark? Did they have the right skills and knowledge to benchmark effectively? Two things were critical in respect to readiness. First did the individual have any previous benchmarking experience? If a participant had been through previous benchmarking projects (particularly business process projects) they would likely understand how to:

- map processes
- measure process performance
- research to identify best-in-class partners
- construct an appropriate benchmarking survey
- conduct interviews
- analyse benchmarking data
- identify best performance and practice
- develop a plan for adaptation and implementation of appropriate best practices

Many of these skills, as this researcher discovered, were not highly developed outside of a benchmarking and business process improvement (part of most TQM programmes) context. As a result, most participants gained their initial benchmarking experience as part of this research project, which was one of their primary expectations and an important objective of the action research program. Second, did the participants have a good understanding of the process being benchmarked? In most cases, the most knowledgeable person is the process owner, or someone whose work comprises some element of the process (see for example, CCI, 1993; Camp 1995; Oakland, 1993).

8.4.1 Level of Readiness in This Case Study

At the outset of the research, most participants, as well as the researcher, were benchmarking 'novices', though their skill and ability clearly improved as they learned from their experience of group benchmarking. As discussed in the previous Chapter, one of the most valuable outcomes of the research for individual participants was learning how to benchmark more effectively. Table 8.5 provides a summary of participant's benchmarking experience and their process knowledge at the outset of the project.

The Table 8.5 clearly illustrates that most participants had very little benchmarking experience prior to this study. Few had conducted a business process benchmarking study, though several had been involved in internal or competitive studies which focused on

performance measures. The table also shows that most participants had little knowledge of the existing process and in only a few cases were actually the process owners. In most cases, participants came from the quality function, had relatively little influence within the organisation, and were benchmarking a process out of their area of expertise. Because they were often the only people involved in the Network, the job of benchmarking fell to them, regardless of whether they were the best person for the task. Unfortunately, most participants were unable to enlist the process owner or other colleagues to support their efforts. Only in the case of Keller was an internal team established to work in conjunction with the common interest group participant.

The lack of previous experience had a significant effect on their understanding of how to benchmark. Despite nearly one year of preparation and some basic benchmarking training, many participants still struggled to understand the steps in the benchmarking process. This lack of understanding is illustrated by Powers (Palmer Equipment) who stated:

> *Even after the course, I am not sure we were fully appraised of what benchmarking was. I had a better idea, but what has become apparent after a few meetings is that having a better idea is not the same as having a good idea.*

Powers's group, for example, took several meetings before they figured out their objective was to benchmark the measuring customer satisfaction process, and not simply to create a customer survey. Similarly, once they came to grips with this issue, they were ready to commence benchmarking visits to the first organisations which came to mind, without considering what questions they might ask, or what information they should gather. In short, they were going through what was often a frustrating and time consuming learning experience, which Roberts (Keller) perhaps described best when he said:

> *With the common interest group we were all flying blind. We had you as a facilitator. We made some mistakes but we learned from them. Hopefully, the next time around we wouldn't make those same mistakes again.*

This view was shared by fellow cig member Powers (Palmer Equipment) who said:

> *We need practice. This is the first time we have tried it, I think we will undoubtedly improve, It is the first time they (other c.i.g. members) have tried it. It is the blind leading the blind to some extent.*

Organisation	Participant's Benchmarking Experience	Position in the Organisation	Relative Influence	Participant's Process Knowledge	
				Knowledge	Ownership
CIG-Members					
Measuring Customer Satisfaction					
Northern Hospital	Low	Quality	Low	Low	No
Council Facilities Management	Low	Gen. Mgmt.	Low-Med	Low	No
Palmer Equipment	Low	Quality	Med	Medium	Partial
Keller	Low	Quality	Med-High	Low-Medium	No
Western Engineering	Low	Quality	Low	Low-Medium	Partial
Managing Change					
Northern Hospital	Low	Quality	Low	Low	No
Council Facilities Management	Low	Finance	Med	Low	No
Verity Manufacturing	Low	Bus. Improve	Low	Low-Medium	Partial
Western Engineering	Low	Quality	Low	Low	No
Non-CIG Members					
Xerxus	Low	Bus. Improve	Low-Med	na	na
NRS	Low	Quality	Low	na	na
Gordon Precision Equipment	Low	R & D	Low	na	na
Yellow	Medium	Quality	Med-High	na	na
Miller Pharmaceuticals	Low-Medium	Bus. Improve	Low-Med	na	na

Table 8.5: Readiness to Benchmark: Individual Participants Profile, Benchmarking Experience and Process Knowledge

8.4.2 Impact on Process Effectiveness

Individual participants' readiness to benchmark had a significant impact on the effectiveness of the group benchmarking process, particularly during the common interest groups. Like organisational readiness, the lack of benchmarking experience at the individual level significantly increased the time required to perform each process step. This was exacerbated by a lack of knowledge of the process being benchmarked. As in the case of

organisational readiness, this had the effect of slowing the process cycle time and reducing the quality of the outcomes as participants applied short cuts to reduce the time required.

Not only were the cycle time and costs greater, because of participants' steep learning curves, the quality of their work was not as high as an experienced benchmarker. For example, the process maps produced by common interest group members were rudimentary. Likewise, they made only a cursory attempt to understand their own process before attempting to create a benchmarking survey. Similarly, their efforts to research best in class organisations and potential benchmarking partners were at best rudimentary, and reflected their limited experience in this important aspect of the benchmarking process. The managing change group decided, in part because of their lack of experience, to limit their focus to good practice existing within the common interest group, thereby limiting any possibility of discovering best practice. As a result of participants' inexperience, not only was the process likely to take longer and cost more, it was less likely to result in the discovery of best practice, a fact most participants came to realise fairly early on in the common interest groups.

The importance of having the right people with the right skills on the benchmarking team is a recurring theme in the benchmarking literature. Most texts underline the importance of having the process owner as part of the team (see for example Spendolini, 1992; CCI, 1993, or Camp, 1995). Likewise, Spendolini (1992) and Camp (1995) both place significant emphasis on training the benchmarking team prior to undertaking a study. APQC (1992) highlight insufficient skills as one important reason for project failure. Finally, Szulanski (1996:38) argues that one of the most important reasons that practices fail to transfer internally relates to not knowing how to learn, i.e. how to transfer best practice. In this case, one of the major impediments to the effectiveness of the group benchmarking process was simply not knowing how to benchmark. Ironically, whilst the process fell well short of finding best practice, it met with significance success in developing participants' benchmarking capability. Perhaps next time they attempt benchmarking, their efforts will be significantly more effective.

8.5 Process Structure

The fourth link in the high-level model of the determinants of group benchmarking effectiveness is the structure and nature of the group benchmarking process. This relates

specifically to how the process was designed and implemented, including its complexity and degree of rigour. (A full description of the process is contained in Chapter 4 of this dissertation.) The intent of the researcher was to design a simple but rigorous process to help ensure that participants' benchmarking efforts resulted in the discovery of best practice. He was trying not to let the process disintegrate into a slightly advanced form of industrial tourism or 'talking shop' which participants had explicitly requested to avoid. Rigour was built into the set-up/preparation phase of the group benchmarking process as well as into the process model used by the common interest groups. However, it was the intention to balance rigour with speed, so that the right outcomes were achieved in the right time and at the right cost.

Despite this intention, the message coming from participants was that the process was overly complex and bureaucratic, particularly stage one which involved establishing the network prior to creating the common interest groups. As described above, most participants believed that the process was complex and time consuming. Many felt it was overly bureaucratic as the quote below reinforces:

> *I think the project steps were logical. Where I found it difficult was that we tried to make it too academic...These things are left to a few people who are interested. These few people who are interested don't have a lot of time. They are doing that as part of their job, they are doing it on top of their job. When you start putting masses of information requirement or study requirement on them, it won't happen. It has got to be something that can be done as now. Then you have a meeting every month and from that meeting you have 2 or 3 hours of work for the next meeting to do whatever it is you are trying to do.*[cxviii]

The actual benchmarking process used in the common interest group was relatively straightforward, and was simply a modification of the CCI (1993) single company approach which was presented by the researcher during the benchmarking training session. It may have been perceived initially as being overly complicated by common interest group members who wanted to jump in the car and visit other companies. However, once the process got underway this perception disappeared.

The initial complexity and bureaucracy was driven by the researcher's inexperience with benchmarking and his desire to 'do it by the book'. The researcher did not have the experience to know which steps to eliminate so he followed the guidelines laid out in the key benchmarking texts. The participants had a similar level of inexperience, and as a result, they did not have the insight to know which steps in the process were actually essential. The inexperience of both the researcher and participants meant they were both on a

learning curve. As a result, most steps in the process took longer than they might have after several iterations of the process.

The project selection process was the prime example of how an inexperienced researcher overly complicated the process, and an inexperienced group of participants underestimated the importance of proper preparation. In this case, the researcher asked for far more information than most organisations could possibly provide in the time scale required (see Appendix 9 for a copy of the forms). He asked participants to work from their mission statement to critical success factors and on to key business process (and sub-processes) which could be measured. Whilst the process selection logic was sound (see for example Camp 1995; Zairi and Leonard, 1994), he over-complicated it further by asking participants to provide measures for their critical success factors and their key processes. The measures could have been useful to participants in determining which process(es) to benchmark. They could also have been useful to common interest groups when they were looking around the Network for potential sources of best practice against which to benchmark. Unfortunately, they only served to over-complicate things to the point where many participants overlooked the underlying logic. Many of the participants had difficulty identifying their critical success factors and key processes, much less measuring them. Few were prepared to try to go into this level of detail in order to participate in the group benchmarking process. It was clearly a step beyond their threshold of pain.

At the same time, participants underestimated the importance of going through the project selection process in a systematic way. In retrospect, the value of the thought process was recognised by some participants. However, because the level of effort required was too high, and the benefit of putting in the additional effort was not well understood at the time, a number of participants dropped out of the process. Most that continued with the group benchmarking process did so with projects that they had not thought through and/or were not committed to actually delivering a result. The processes they chose to benchmark did not have a strong link to their organisation's mission, goals or objectives. Thus, the time and effort they were willing to put towards the project was often limited, which, in turn limited the benefits they could expect to achieve . As Camp (1995:31) points out:

> *What if the team could not ensure that its activities supported the organisation's goals? What if the team was unable to find statements of the firm's direction, goals, and objectives? This could indicate that there would only be a casual need to improve the process or that the team had no specific purpose. The benchmarking effort could be jeopardised, disbanded, or viewed as*

insignificant. It might be reason enough to stop the team's activities until the firm's goals were clarified.

In his view, without the clear link from the benchmarking project to the organisational mission/goals/objectives, there is a very real risk of project failure. In the case of the group benchmarking process, a complex process (created by an inexperienced researcher), combined with inexperienced participants on a steep learning curve, contributed significantly to the time and effort required to engage in the process. This, in turn, drove up the perceived cost of the process, without adding significantly to the perceived benefit of participation. The outcome was predictable- participants dropped out. The practical effect of a complex process in this case was to slow everything down, which had the same effect as lack of organisational and individual readiness and limited effort.

An emphasis on structure and rigour in applying the benchmarking process is a consistent theme throughout the benchmarking, business process improvement and quality management literatures. Szulanski is relatively silent on this matter, though he argues for the need to learn how to learn (particularly Szulanski, 1996). This also lends support to the importance of using a rigorous, systematic process. The quality networking literature doesn't explicitly address the issue of process rigour or its effect on the impact or outcomes of quality networking initiatives. It does, however, indicate that participants are after ready to apply information which implies they don't want to do a lot of extra work to get it (see Kunst et al, 1996). Cleveland (1995) indicates that the time spent clearly establishing a common understanding of world class manufacturing was an important contributor to the success of the Network he studied. The data from this study supports the conclusion that the structure of the process is an important determinant of effectiveness. Simply put, the more complex the process, the more effort (from participants) required to move to the next stage. If effort available is effectively fixed and complexity is increased, then progress through the various stages of the benchmarking process slows down, or short cuts are found. In this case, progress slowed to that of an 'anaemic snail', as one participant elegantly described it, and benefits appeared even more ephemeral. However, if rigour and process discipline are too severely compromised, the likelihood of finding best practice drops substantially and the process disintegrates into industrial tourism.

8.6 Network Facilitator

The fifth determinant of group benchmarking process was the network facilitator and 'broker', a role filled by the researcher with help from his Ph.D. supervisor and other

colleagues at the Business School. This role is nicely summarised by Roberts (Keller) who stated:

> *The role is there of the classic facilitation role, of helping and supporting. Doing exactly what you are doing, going around talking to people on a formal basis, and maybe going away and even suggesting we redesign the process you are trying to take us down. We are too interested in trying to achieve an end result and we are too close to the process...Helping to keep the momentum going. At this stage the momentum is not self generating. It needs the thought that you are going to write a thesis and get your Ph.D. at the end of it. It's that sort of thing that is helping to drive us, getting us committed to giving you some return on the investment you have put in us. From my point of view, the investment you have put in is greatly appreciated.*

Essentially, the Network facilitator had three inter-related functions. The first was to establish the Network and play the role of organiser and honest broker. This role was essential to getting the Network off the ground, arguably something which would have been difficult without an external facilitator. This essential role is highlighted by Pratt (Northern Hospital) who stated:

> *Somebody has to be able to take ownership of that somewhere...It's good for us because it's somebody sitting outside facilitating the whole thing. I don't think it would have had the same ownership if we would have just said- 'Northern Hospital will do this'. We wouldn't have had the expertise, the time, or given the direction. You have done all those things and have been invaluable in the process. In the future you just have to stick in there. Without you the thing will crumble.*

Stevens (Western Engineering) highlighted the importance of the honest broker role. He stated:

> *We probably wouldn't have got together if it weren't for the Business School. It's made it easier. It's done the co-ordination and made the introductions...Someone said that British society is peculiar. If you're at a party you won't talk to someone unless you have been introduced to them by a mutual friend. The Business School is the mutual friend. It's doing the introductions. Businesses are just like people at a party. Businesses are reluctant to approach one another unless they are introduced by a mutual acquaintance.*

The second key role for the Network Facilitator was to be a 'champion' for the process. This vital role was cited by most participants. Several examples illustrate the nature and importance of this function. Kennedy (Western Engineering), for example, stated :

> *They are the catalyst. The thing they've got to do is have regular meetings, pull people together. You've got to be the catalyst and force us together. Force us to discuss the issues. That's about all you can do. You can make provision for it. You can provide training, education, help and enthusiasm. I don't think you have very much else in the way of resource to put to that. You have to provide the catalyst. You've got to keep benchmarking up on the wall. You've got to keep it high profile.*

Another participant, Christopher (NRS), put it in a slightly different way. He said:

> *I think the Business School plays the role of the Conscience. A reminder of- We're still there, where are you sort of thing. It's a good prompt. When there's all these other things going on, it helps, I think, to have that external trigger. I think the Business School has a very important role, and will do so in the future. It still has some ways to go before it self sustains, as I have demonstrated within NRS.*

The third primary role of the Network facilitator was to provide expertise to the common interest groups attempting the benchmarking process. This role is described by Manson (Western Engineering) as follows:

> *I think it should be trying to keep us on the right path. Much like the... what was said on the training course. Tell us where we are going wrong. Tell us where we are right. If there is a right and wrong of course. Don't lead us but be a shepherd rather than a leader, you know.*

Manson also suggested a further role for the facilitator within the common interest group. He stated:

> *Perhaps to encourage the team building, to encourage an acceptance of the responsibilities of the individual companies, that they do have a responsibility to the group. I think, obviously you would still have the role of advising, 'I think you are going the wrong way' or perhaps 'I think you should try this, perhaps you should try that', but ideally at the end of the day to some extent your job should be the same as our job which is to work ourselves out of one. Set it up, make it work and leave it. Perhaps try and put in the mechanism whereby you could have cross fertilisation between groups on how to improve the process.*

Manson also highlights an important goal for the Network facilitator- to work themselves out of a job. That is, to create a self-sustaining network which doesn't rely on an external facilitator, organisers, catalyst/champion, and expert. As discussed in Chapter 6, the facilitator, in this case, never worked himself out of a job.

8.6.1 Impact and Limitations of the Network Facilitator

The Network facilitator's contribution to the group benchmarking process can perhaps best be understood by asking- What would have happened without the Network facilitator? The answer to this question can be summarised as follows:

- Without a Network facilitator the process would have been unlikely to ever get off the ground.
- If the Network facilitator pulled out of the process, the Network would likely have ground to a halt, or ceased to exist.
- The common interest groups would have moved even slower or have gone even further off process without a facilitator.

This is supported by Brown (Palmer Equipment) who stated:

If you hadn't been at the meeting to guide us, particularly after we had gone down the wrong route, I don't think the process would have moved too fast. If the Business School hadn't been involved I don't think the group would have continued. We would have lost our way quite quickly. If the Business School would not have been involved the process wouldn't keep going.

The primary role of the Network facilitator (as the name implies) was to make it easier for participants to benchmark effectively. This was achieved by providing organisational, honest broker, and facilitation services and by providing benchmarking and process facilitation expertise. Essentially these activities helped to reduce participant's cost of benchmarking. At the same time, the role of champion or catalyst may have helped to motivate participants and, everything else being equal, encouraged them to provide additional effort. Whilst the Network facilitator had an important impact on group benchmarking process effectiveness, there were some significant limitations on the facilitator's impact in this case study. Primarily these limitation related to the Network facilitator's (i.e. this researcher) inexperience in most areas related to group benchmarking. Prior to the project, he had little benchmarking or facilitation experience. Like the participants, he learned by doing and reflecting on this experience. As a result, participants didn't have access to a true benchmarking facilitator. This expertise would have been particularly useful at the outset of the project to help set participants' expectations. It would also have helped to have a facilitator with enough experience to recognise what corners to cut to strike a better balance between process rigour and the need to deliver timely results. Likewise, a more experienced facilitator, could have assisted the common interest groups in better organising their benchmarking projects (see also next section). In addition, a more experienced facilitator could have provided expertise and better guidance at crucial stages in the process, including during questionnaire design, partner selection, and the application of the benchmarking survey.

In summary, increased facilitator expertise in the area of benchmarking and process facilitation could have helped offset participant inexperience, reduced the cost of benchmarking, and increased the probability of synergistic process gains resulting from teamwork within the common interest groups. In this case, the full benefits of an expert facilitator were not realised. Instead, it was very much a case of the semi-blind, leading the blind. As a result, it was not possible to conclude that an expert network facilitator could have overcome the lack of individual and organisational readiness, could have motivated participants to put forth more effort, or have helped create significant synergistic process gains within the common interest groups. It will be a matter for future researchers to

determine whether more professional facilitation can overcome deficits in some of the other determinants of group benchmarking process effectiveness. Lawrence (Xerxus) provides a useful insight on this issue. He argued:

> *The Business School have done a super job of facilitating us to where we are at. The time for companies to take ownership for their own improvements has arrived. I've seen an awful lot of companies sitting back and saying it's over to the Business School. It's almost as if we are waiting for you to make something happen...Your role was sort of to get the Network established, get the code of conduct sorted out, provide some way of communication and interaction and dialogue between the companies. I'm not sure you have the resources to keep forcing, helping that process along. I think you've really got to get the companies to realise they need to be more proactive themselves.*

At the end of the day, participants have to take ownership for the process for it to succeed in the long run. Whether, that is possible in this context, is, again, a matter for future researchers. Perhaps, it is no different than a consultant passing ownership of a project to the organisation for which he is consulting. If he never passes ownership, the project will never deliver full benefits. Similarly, perhaps his most important role is to transfer capability to the organisation. In this case, the immediate benefits delivered were relatively meagre. However, if the Network facilitator was successful in transferring benchmarking capability to participants, then the long-term impact of the project may have been much more significant.

8.7 Group Processes

The final determinant of effectiveness to emerge during this study was labelled 'group processes' by the researcher. This determinant refers specifically to the common interest groups and, in particular, the processes they used to benchmark, and how well they worked together to achieve the objectives of the group. The processes used to benchmark touches again on the issue of process rigour and discipline, and the extent to which the common interest groups systematically applied the benchmarking process. This issue has already been addressed in the context of readiness to benchmark and process structure, so will be addressed only briefly in this section. The second component of the group processes determinant includes issues such as:

- leadership
- common objectives
- commitment to the group objectives
- co-ordination and co-operation
- planning and project management

One of the underlying propositions of the group benchmarking process was that a common interest group approach could create synergistic process gains, which could enable the

group to achieve greater results than simply the sum of the individual contributions (see Hackman, 1987). This would presumably enhance process effectiveness. It should also be noted that synergy can also be negative. That is, group interaction could result in process losses due to factors such as difficulty co-ordinating actions, social loafing, and the like (Hackman, 1987).

8.7.1 Applying a Systematic Process

The first component of group processes was the extent to which the common interest group applied a structured systematic benchmarking process. As described above, in the context of establishing the Network and deciding what to benchmark, this was an important issue. Again, most participants were simply unable and/or unwilling to devote the time necessary to execute the benchmarking process by the book, or as they were taught during the benchmarking training session led by the researcher. This was clear at the very outset of the process, when the researcher had to pull the measuring customer satisfaction group back from using their second meeting to conduct benchmarking visits. It was also clear when members of this group reviewed their existing process. Perhaps most importantly, process rigour and discipline was absent when group members (measuring customer satisfaction) attempted to identify potential benchmarking partners and to make initial contacts. Despite the advice given by the researcher during the benchmarking training course, most participants approached this aspect of benchmarking in a rather haphazard fashion.

Roberts (Keller) came closer than any other participant in terms of a systematic approach to finding best practice partners, and even he was nowhere near the ideal described in this researcher's training course. One participant described the method used by the measuring customer satisfaction group members (including Roberts) as 'alphabetical', rather than systematic and structured, which was not particularly helpful in finding best practice. Even Roberts himself admitted:

> *My energy got as far as my book shelf where I have a couple of membership directories (e.g. I.F.S. plus the local network, plus my contacts.*

Nevertheless, despite the short cuts to the benchmarking process, the managing customer satisfaction group pretty much collapsed under the additional workload.

In the case of the managing change group, the group decided to confine its search to members of the common interest group, and did not venture out into the wider Network and beyond. They analysed the practices within the group, did a bit of background reading, and came up with a list of potentially good practices in the area of managing change. None were validated against external best practice, though taken together, were probably better than the practice of any individual group members. In neither common interest group, was the search for best practice partners rigorous or systematic. Both limited their efforts based on the resources they had available coupled with an assessment of whether the extra effort was worth the extra cost.

The need to approach the search for potential best practice partners in a structured and systematic manner is well described in most benchmarking texts (see for example Camp, 1995; Spendolini, 1992; CCI, 1993). This can help to ensure you actually locate better/best practice, rather than just different practice. In fact, everything about the benchmarking process reinforces the importance of structure and discipline to help ensure you ask the right questions, of the right company(s), to get the right information you can use to improve your process. The structured systematic approach takes additional time up front but can save considerable heartache later in the process. The benefits of this type of approach are often discovered only through experience, often after not doing it the first time. In an instance where a group of inexperienced benchmarkers with very limited time, and no professional support are attempting benchmarking for the first time, the approach to finding partners is was never likely to be systematic.

The second element of the group processes determinant related to how well the common interest group worked together. That is, did the common interest groups generate what Hackman (1987) referred to a synergistic process gains, or did the groups create process losses. The results in this case were mixed. Essentially, it was a tale of two halves. At the outset of the both common interest groups (particularly the customer satisfaction group) members generally believed that the presence of the common interest group was particularly useful. Roberts (Keller) explained:

> *It was useful to work in a group of similar interest/similar aim people. Different companies, therefore no politics involved in the group. Therefore, it was able to get us off to a start which we would have perhaps struggled with if we wouldn't have had the ability to talk to others outside the company. Yes- to get us off to a good start.*

Roberts also noted there were 'no negative team behaviours coming through' and that group members were respectful, listened well and generally wasted less time, perhaps because they were less familiar and were on their 'best behaviour'. Negative team behaviours were kept to a minimum in both groups throughout the benchmarking process.

Unfortunately, positive team behaviour, such as good listening, respect for others' views, less time wasting during meetings, etc. was not enough to overcome limited effort, lack of common objectives and shared responsibility, no leadership, limited facilitation, difficulty co-ordinating efforts, no planning or project management. As the common interest group moved into the second phase of its work, and began to identify potential benchmarking contacts and to apply the benchmarking survey, these inhibitors of effective teamwork began to take over. As Roberts (Keller) stated:

> *Once we got to sticking it all together and then putting it into a document to send off to potential partners, then the whole thing seemed to fall apart. People lost ownership for doing anything.*

8.7.2 Imbalance and Guilt

Perhaps the biggest inhibitor to effective teamwork was limited effort by some members. This meant that meetings tended to be infrequent (see also the discussion of effort above). This caused some difficulties as Roberts (Keller) noted:

> *We were just a group of individuals coming together once a month with a common interest and we weren't a team as such. I don't think we could ever be a team. Because we are not together long enough to form relationships. There was too long between meetings for anything you developed this time to carry on until next time. A lot of taking and not much giving. I think I had that motive at the beginning also. What am I going to get out of this thing?*

It also created an 'imbalance' within the common interest group. Contributions to the common interest group were unequal. This was particularly true within the measuring customer satisfaction group, where Keller's effort far exceeded that of other members (see Campbell's statement above). Unequal effort by members caused frustration and hard feelings, and contributed to a breakdown of trust amongst members, in the later stages of the process. For example, Roberts (Keller) became increasingly frustrated with other common interest group members and their limited contributions. As he explained:

> *At the end of the day, I had the information but I wasn't prepared to share it. The information I have shared with Western Engineering because they are the ones that have hosted the meetings, and have done the admin. of our meeting. Therefore, I think they should be paid with something that I could offer, and that was the only thing I could offer. But I haven't shared our view of best practice (worked out by the Keller team). I've left that to them.' They've got the ten answers (from the ten partners, contacted by John, who answered the c.i.g.'s survey) they can pick out of them what they think is the best practice.*

Members of his internal benchmarking team were also frustrated, with one member complaining:

> *Why the hell should we do all this work and then let the others in the common interest group benefit from our work?*

Representatives from Palmer Equipment also expressed frustration, as Brown (Palmer Equipment) explained:

> *It has been a little disappointing in some respects. We've always been there. Western Engineering have always been there, and Keller most of the times, When the other people actually turn in on the meeting, they don't appear to have read the meeting notes. They just come along to find out what's happening. I personally find it a little annoying because they have done very little preparation. You expect if they are coming along to that meeting they should have something to put into that meeting. If they don't do it, and turn up at the meeting, I would question their right to be there'...There's three main people in our common interest group... at least they've done some preparation.*

Powers (Palmer Equipment) also cited group continuity and lack of preparation as key issues. He stated:

> *It is difficult to become comfortable with the people (from the c.i.g.) when they keep changing. I think Western Engineering is trying. Keller are trying, but the Health Authority and Council Facilities Management, I don't think their input's as good as it could be.*

Unequal effort also caused a sense of guilt on the part of those who contributed very little to a common interest group. Campbell (Northern Hospital) explained:

> *At the time other competing commitments took priority. Whether that was valid to make that judgement either personally or organisationally, I think it was the case that that decision was made. I don't feel good about that. Personally, I feel we let John down in terms of the effort he put in. And I felt bad about that, and deserved to feel bad about it because none of the other partners delivered on what they said they would, and we would have got more from the group if that would have been the case...It's matching that personal commitment with the organisation commitment and the teamwork and your obligations to your partners within that team. I think we all felt bad, but we didn't feel bad enough to do what we said we were going to do. If we'd felt that bad we would have done it. We made choices about our time in other ways.'*

Clearly, he and other members of the common interest group felt some pressure to increase their contribution to balance out the workload. Unfortunately, the pressure was not significant enough to actually spur any of the other group members into action. As a result, the group processes suffered, and the effectiveness of the group benchmarking process diminished.

8.7.3 Lack of Leadership

The group process also suffered from lack of leadership and facilitation. From the outset, there was never a clear leader of either common interest group. They were essentially a committee of equals, though Roberts (Keller) and Campbell (Northern Hospital) played more active roles respectively. Essentially nobody drove the process. The researcher attempted to facilitate the measuring customer satisfaction group, but never felt comfortable playing this role or that of the group leader. He always believed it was primarily the group members' job to drive process and his job to observe the outcomes achieved. He had brought the horse to the water, it was its job to drink. Unfortunately, the horse was unable and/or unwilling to drink effectively, and the researcher had no real way to make it drink. He had no authority or influence to force common interest group members into action. As Roberts (Keller) pointed out:

> *Your problem was you didn't have a project champion you could go to and say- 'Hey these six fellow there are not attending. There not doing anything. Bring down your managerial weapon to bring them into shape.' That was not an option for you to use.*

Lack of leadership was exacerbated by individuals who had forgotten the basics of most quality improvement processes, such as:

- Establish clear objectives
- Set a plan and key milestones and measures
- Meet on regular basis to review progress

though most had been involved in a number of such projects prior to their group benchmarking experience.

As Powers (Palmer Equipment) noted:

> *I don't think any of us understood why we were there. I certainly didn't.' I knew what we as a company were trying to achieve. I had no idea what the group was trying to achieve.*

8.7.4 A High Performance Team?

Unfortunately, whilst individual group members may have had clear objectives for what they wanted to achieve from the group, there is little evidence that the common interest group actually had a common purpose or clear objectives which were supported by all members. This is highlighted by Powers (Palmer Equipment) who commented:

> *We would have to become much more specific about what we are trying to do as a group, as opposed to specific individuals. We have been specific with ours, and so have they. They just don't match. We need some focusing of what we are trying to do.*

Likewise, there is little evidence that individual group members felt any shared responsibility for their success of the group. In many cases, it was clear that some felt little responsibility for achieving their own personal objectives, much less the objectives of the group. Without any common purpose, it was difficult to plan the project, set milestones and measures, much less generate individual commitment to the group's task. Buchholz and Roth (1987:14), amongst others, discuss the concept of the high performance team which they argue has the following attributes:

- Participative leadership
- Shared responsibility
- Aligned on purpose
- High communication, climate of trust
- Future-focused
- Focused on task
- Creative talents
- Rapid response

According to Buchholz and Roth (1987) teams don't begin as a high performance teams, but rather go through a series of stages and phases to reach this level. High performance teams begin as a collection of individuals who progress to the status of a group, and then on to the level of a high performance team. The progression through these various stages is not automatic, with many collections never becoming a group, much less a high performance team. Using the attributes of a high performance team, the differences between the three levels of development can be defined. This is illustrated below in Table 8.6. The common interest groups in this study could best be described as a collection of individuals. This can be illustrated by comparing the common interest groups in this study to the attributes identified by Buchholz and Roth (1987). This is illustrated in Table 8.7, below.

In this case study, Buchholz and Roth's (1987) first four attributes were most relevant. As noted above, neither common interest group had an appointed leader, or one which clearly emerged during the process. Roberts (Keller) did more work than other members of the measuring customer satisfaction group, but didn't play a true leadership role and take the rest of the group with him. Campbell (Northern Hospital) was the most active member of the managing change group, but again didn't play a leadership role. In terms of responsibility, there was little evidence that individuals felt a collective sense of responsibility for achieving the group's objectives, perhaps, in part, because the group never really established common objectives. The closest thing to a common purpose for either common interest

group was- to learn how to benchmark. Both groups struggled to clearly define the common process they were benchmarking or the specific areas they wished to improve (e.g. reduce cost, improve cycle time, enhance quality).

Attribute	Level of Development		
	Collection	Group	High Performance Team
Leadership	Limited, non existent	Leader-dependent	Leader empowers, interdependency
Responsibility	No shared responsibility	Roles defined	Shared by the group
Purpose	Individual purpose- no common purpose	Common purpose recognised	Common purpose energises, commitment
Communication/ Trust	Not well developed	Group norms developing	open and honest communication, high level of trust
Future-Focused	Focused on present, not open to change	Begin to embrace change	Open to change, viewed as an opportunity
Creative Talents	Undiscovered, hidden	Recognition and beginning to tap talents	Creative energy focused around purpose
Rapid Response	Not capable	Importance recognised, capability starting to develop	Capability to respond rapidly fully developed

Table 8.6: Phase of Team Development- Based on Buchholz and Roth (1987:14-16)

Similarly, there was never any real discussion of the relative priority of the benchmarking project to group members, their willingness and/or ability to commit resources to the project, or the timescale over which they wished to complete the exercise. In short, neither common interest group ever really agreed on the process or parameters they were to benchmark, the manner in which they were to benchmark, or the time scale in which they were to benchmark. The term 'common interest' group was probably a misnomer. Finally, there was little evidence that trust and open communication ever fully developed. Things started out positively, but couldn't overcome the frustrations caused by limited results and unequal contributions and 'social loafing' by some group members.

The fundamental difficulty was neatly summarised by Roberts (Keller) who pointed out:

> *It's difficult to put a group of companies together that have no other link than a common interest', and then expect the group dynamics and loyalty to come into play. That's the difficult bit.*

Attribute	Common Interest Group	
	Measuring Customer Satisfaction	**Managing Change**
Leadership	None, some facilitation by Researcher	None, Researcher mainly observer, little facilitation
Responsibility	No evidence of shared responsibility	No evidence of shared responsibility
Purpose	Some evidence of individual purpose, e.g. Keller & Palmer Equipment. Little evidence of any common purpose for group. None agreed by group.	Some evidence of individual purpose, e.g. Northern Hospital. Objectives agreed but Little evidence of any real common purpose for group.
Communication/ Trust	Started to develop, but disintegrated when Keller and Palmer Equipment became primary contributors.	Started to develop between Council Facilities Management and Northern Hospital but disappeared when Council Facilities Management left the group.
Future-Focused	Keller and Palmer Equipment open to change, other members showed less readiness. Entire group focused on present exercise not on developing longer-term relationships.	Some evidence of future focus on part of Northern Hospital but not from other group members. Entire group focused on present exercise not on developing longer-term relationships.
Creative Talents	Little evidence these were fully tapped.	Little evidence these were fully tapped.
Rapid Response	'Anaemic snail'	Worse than an anaemic snail

Table 8.7: Were the Common Interest Groups High Performance Teams: A Comparison to Buchholz and Roth's (1987)

It is fair to say that in this case study neither common interest group ever progressed from a collection of individuals to the level of a group, much less to a high performance team. At the outset, things looked promising. However, as the process progressed and more effort was required, the lack of any real shared purpose and responsibility made it difficult for members to maintain their loyalty and individual commitment to the group task in the face of other priorities. As a result, the common interest groups both ground to a halt, and any dynamics which might have resulted in synergistic process gains quickly disappeared.

8.7.5 Impact On Process Effectiveness

Poor group processes had a significant impact on the effectiveness of the group benchmarking process. First, the failure of group members to use a more rigorous benchmarking process, particularly when analysing their own processes and when selecting benchmarking partners, meant that they were unlikely to find validated best practice as a result of their efforts. The qualifying search for best practice partners was far from systematic. Preparation of the benchmarking questionnaire was hasty. The discovery of best practice would have been purely accidental. In essence, members of the common interest groups were only slightly better than 'accidental (industrial) tourists'. Second, poor group process resulted in process losses rather than synergistic process gains. The

practical effect of this was to slow down the process, increase the amount of time that would otherwise have been required, and ultimately to reduce the likelihood that best practice would be discovered by group members.

8.8 How Do The Findings Compare to the Benchmarking Literature?

In Chapter 3, the researcher examined the critical success factors and reasons for failure of benchmarking projects which had been identified by the leading benchmarking experts. These include:

- Top management commitment
- Adequate resources
- Appropriate composition and training of the benchmarking team
- Process owner involvement
- Organisation has a good understanding of its key business processes and actively manages these processes before attempting benchmarking-
- Link to the organisation's critical success factors-
- Tightly focused and of manageable size-
- A structured benchmarking process is applied with discipline and rigour-
- Team fails to gain co-operation from potential partners-

The findings from this study can be briefly compared to these critical success factors and reasons for project failure. For example, top management commitment was not identified specifically as a determinant of effectiveness in this study, but rather was considered as one of the fundamental drivers of effort. It was reflected in the relatively small amount of effort individual participants and organisations devoted to the group benchmarking process. It was also evident in the failure of most to sustain their level of effort over the course of the project. With the exception of Roberts (Keller), there was little evidence that senior managers from participating organisations were committed to the success of the benchmarking project or the Benchmarking Network. Certainly, with the exception of Keller, (and to a much lesser extent Northern Hospital) few top managers from participating organisations were committed enough to devote the resources necessary to ensure group benchmarking process success. The lack of top management commitment in this study was evidenced by the relatively low priority of both benchmarking and the group benchmarking project within the participating organisations. For the organisations that reached the common interest group stage, there was enough commitment to get the project off the ground. Unfortunately the commitment wasn't strong or sustained long enough for the project to reach a successful conclusion. As management support for the project waned,

the interest of individual participants waned and the problem of limited effort was compounded.

Adequate resources was also a key issue in this study. As with top management commitment, the importance of adequate resources was captured in the determinant of effort. As indicated in the literature, without adequate resources, the benchmarking process is likely to collapse or move so slowly that any information uncovered is 'out of date'. This is essentially what happened in this case. Because inadequate resources were devoted, the cycle time was extended, the benefits were slow to materialise, and participants (and their senior managers) lost interest. As a result, a vicious circle was created.

The composition and training of the benchmarking team and the involvement of the process owner were also important in this case study. They were captured in the determinant, individual readiness. In general, the participants of the common interest groups were not familiar with the process being benchmarked. They tended to come from the quality function. Whilst the common interest group members had been on a brief training course, it was not adequate for their needs. Group members were inexperienced in the area of benchmarking. They didn't have much knowledge of the process being benchmarked. To make matters worse, they didn't have a benchmarking specialist or process expert to facilitate their efforts. Basically, they were left to their own devices, with a little help from an inexperienced researcher. The impact in this case, is consistent with the previous reports in the benchmarking literature.

The determinant of 'organisational readiness' captured the importance of organisations having a good understanding of their key business processes and actively managing their processes before attempting benchmarking. Few of the organisations who were involved in the common interest groups could be described as quality mature. As a result, most didn't understand their processes and how they were linked to the results they achieved. As a result, they struggled to select benchmarking projects. Because they struggled at this critical juncture, most tended to end up with projects that had only a tenuous link to their critical success factors. Accordingly, when results were slow to materialise, or competing priorities arose, their commitment to the group benchmarking process waned.

This study also found that keeping the project tightly-focused and of manageable size was important to project success. This was captured in the group processes determinant. Both common interest groups suffered from lack of focus, and particularly lack of common purpose. Both groups, particularly the managing change group, took on projects which were too broad, particularly considering the resources they made/had available for the task. Smaller, more tightly focused projects would have been more appropriate given the amount of resources they were willing and able to apply. Likewise, a more tightly-focused project would probably have had a shorter cycle time and required less effort. Whilst the potential benefits delivered may have been smaller, they would most likely have arrived much quicker. This may have helped to reduce participants' tendency to lose interest and limit effort when benefits were not quick to materialise.

The importance of a structured benchmarking process which is applied with discipline and rigour was a key issue in this study. It was captured in both the group process and process structure determinants. Failure to use a more structured, disciplined methodology within the common interest groups reduced the likelihood they would discover best practice. At the same time, the researcher's insistence on the use of a structured benchmarking project selection process, nearly killed the project. The benchmarking literature is quite clear on the importance of using a structured process. Though, with the exception of Camp (1995), they are relatively silent on the potential dangers of structure and discipline. In this case study, too much rigour and structure significantly slowed the process and caused a significant number of organisations to exit the process. Furthermore, because participants had only a limited amount of time to devote to the process, those that persisted simply applied short cuts wherever possible. Few participants, including the researcher, had enough benchmarking experience to know when rigour and discipline were essential and when corners could be cut. Finally, difficulty gaining co-operation from potential partners didn't become a major issue in this case. The managing change group benchmarked within their group so never had to address this potential problem. With the exception of Roberts, members of the measuring customer satisfaction group never got to this stage. Roberts had a few difficulties gaining co-operation, but was nevertheless relatively successful in carrying out the benchmarking survey designed by the common interest group. There is no way to know whether this factor would have been more important if more common interest group members had attempted to apply their benchmarking surveys more widely.

In summary, the key determinants of group benchmarking process effectiveness which emerged during this study were very consistent with the critical success factors and reasons for project failure which had previously been identified in the benchmarking literature.

8.9 How Do The Findings Compare to the Quality Networking Literature?

The findings in this study can also be compared to the work of Kunst et al (1996) and Cleveland (1995, 1995a). Kunst et al (p. 20-21), for example, identified the following general success factors for quality networking:

- Ready to apply information
- Low participation threshold
- Mixed industry
- Role of networking agent/facilitator

He also identified the following success factors which were particularly important in the case of SMEs. These were:

- Small groups
- Clear targets and tight time planning
- Economies of scale
- Consultant-driven
- Commitment

They (1995) argued that quality networking participants were looking for ready to apply information, and were shifting away from simply talking about general quality issues. In this case, the impetus for the project came from Best Practice Club members who were looking to move beyond talking about general quality improvement issues. They wanted to look more in-depth at specific business processes and use benchmarking to find best practices which could improve their processes. Unfortunately, benchmarking doesn't generally create ready to apply information, at least not without doing a tremendous amount of work to find it, analyse it, and adapt it for application in a new setting. Participants were looking for ready to apply information, but weren't really ready (or willing) to apply much effort to find it. A low participation threshold was also a key issue in this case. The threshold of participation (or pain) in this case was too high for most participants, hence the large number of casualties during the set up phase of the project. In this case, participants set an implicit threshold of pain. In the face of this limitation, they 'satisficed' and short cut the group benchmarking process wherever possible. Interestingly, whilst Kunst et al (1996) identify the importance of the threshold of participation, they don't address the question of whether it is possible for a quality networking initiative to go much beyond general discussion of quality issues if the

participation threshold is set too low. Similarly, they don't address the issue of whether a low participation threshold is compatible with process rigour and discipline, particularly if benchmarking is the focus of the quality networking initiative.

The importance of having a mixed industry group was not observed in this case. At the outset of the project, a number of participants noted that having a wide mix of public sector, private sector, service and manufacturing organisations was an asset. None, however, cited it as a major benefit or reason for participation. In the common interest groups, the industry mix was a mixed blessing. At the outset, it appeared to be quite appealing to a number of common interest group members. As the process progressed, the initial enthusiasm seemed to wear off, and a number of participants began to wonder what they really had in common with each other. This was particularly true in the measuring customer satisfaction group when it became apparent that the supply chain of group members were not remotely similar. Kunst et al (1996) also cite the importance of the networking agent/facilitator. This was an important determinant in this case, particularly in getting the Network organised and the common interest groups formed. As a number of participants noted, it would have been very unlikely that the Network would have been formed spontaneously. Similarly, most felt that the Business School had been invaluable in leading and facilitating the process. The facilitator was also important in getting the common interest groups started and helping them to understand and apply the benchmarking process. Unfortunately, in this case the facilitator, like the participants, was making it up as he went along. A more experienced facilitator would likely have had a stronger positive impact on the outcomes of the research.

Several of the success conditions cited for SME's were also evident in this case. For example, the importance of clear targets and tight time planning cited by Kunst et al, was a key issue in this case. During the set up phase, the researcher attempted to set clear targets and plan a tight time schedule to ensure the process moved rapidly and benefits were relatively quick to materialise. However, many participants didn't see the immediate value of some of the project steps (e.g. code of conduct, EFQM self assessment, project selection process). Therefore, they perceived that the project was moving slowly and benefits were slow to develop. The absence of clear targets and planning was also a key issue during the common interest group stage, and significantly reduced the potential effectiveness of both groups. Finally, Kunst et al (1996) mention the importance of commitment to co-operation and action. This was also an issue in this case. Whilst few real

problems arose with co-operation between Network and common interest group members, action, and particularly effort, was of critical importance in this case. There was very little evidence of commitment, particularly from the senior management of participating organisations, to provide (or sanction) the effort necessary to benchmark effectively.

The determinants which emerged in this case can also be compared to the work of Cleveland (1995, 1995a) and the lessons learned which he identified. For example, like Cleveland (1995a), this research also identified the facilitator's role as crucial in formation of the network and as a way of reducing the cost of group benchmarking. Though participants in this study never specifically said they were looking for ready to apply information, their desire for very rapid results with minimal input of effort is akin to wanting this type of information. Cleveland also highlighted the importance of executive level champions and the risk of delegating down by these managers. In this case, few executive level managers were ever involved in the process. This is a good indicator of the relative priority of benchmarking and the Benchmarking Network for most of the organisations involved in this case. This is an issue which is discussed in more depth later in this Chapter. In this research setting, the task mainly fell to the organisation's quality manager, who no matter how hard he tried, usually failed to get anyone else involved in the activity. In effect, it was difficult for many of the participants to delegate the project down, because the only place to delegate was up.

In Cleveland (1995), he also provides several insights which can be compared with this research. For example, Cleveland argues that it was worth the time and effort to develop a shared mental model of world class manufacturing before really getting into the 'doing'. In this case, the attempt to create a shared framework using the EFQM Model and the business process taxonomy (for project selection) was not particularly successful. The organisations in this study were not patient enough to find much value in this type of approach. Perhaps the skill of the facilitator in selling this framework, or the complexity and usefulness of the frameworks (particularly the EFQM) limited their appeal. Cleveland notes that learning networks (as he calls them) are not the primary drivers of firm success. A similar observation can be made in this case, and taken a step further. That is, because participants didn't regard the Network as a primary driver of success, they didn't consider it a priority. Because they didn't regard it as a priority, they allocated little resource to it. Because they allocated little resource to it, they tended to get limited results. Cleveland also

points out that getting results takes a long time. He never clearly specifies how long, nor does he describe how many organisations were lost along the way. One thing is clear, the network he observed had significantly more resources, and many more facilitators (close to a dozen) than the one studied in this case. As a result, many more organisations could be involved and much more support could be lent to participants. Increasing the number of participants, would likely increase the probability of finding organisations (and individuals) that were ready to network, and were willing to put forth the effort. Combine that with more effective facilitation and a simpler process and the results achieved could have been much more positive. Furthermore, positive results would likely cause a virtuous circle, as opposed to a vicious circle, as occurred in this case.

The findings from this case study can also be compared to the work of Szulanski (1993, 1993a, 1995, 1996); discussed in some depth in Chapter 2. Like Szulanski, this research found that the transfer process was sticky. The group benchmarking process took longer, required more effort, and achieved a lower result than expected. No participant actually succeeded in finding best practice. Those that found better or good practice generally believed it took longer and was more complex and costly than necessary. Szulanski's stickiness framework was not particularly relevant in this case, as the group benchmarking process focused mainly on stage one of the transfer process, whilst his framework encompasses all four stages. In this case, the most important determinant of stickiness was lack of motivation of the recipient, i.e. the common interest group member. They simply weren't motivated to benchmark or particularly adept at doing so. As a result few practices were transferred.

8.10 Support in the Group Behaviour Literature

Finally, the findings in this study can be compared to the work of Hackman (1987), in the area of group effectiveness. One of Hackman's key contributions to the literature in this area was what he (1987) called a 'normative model of work group effectiveness'. Hackman started with a definition of effectiveness which can be stated as follows:

- Task output acceptable to those who receive or review it.
- Capability of team members to work together in future is maintained.
- Members' needs are more satisfied than frustrated by the experience.

He argued that these criteria could be used to measure the effectiveness of a work group within an organisation. Another way to look at Hackman's criteria is simply- Was the task

done on time, to the right cost, and to the right quality? Was the team's capability developed? Are the individual team members willing to participate in future group activities? The Hackman criteria are not far off Adair's action-centred leadership model and its focus on task, team, and individual needs (see Oakland, 1993 for a description). The task output criteria are nearly identical to those used in this study.

The second part of Hackman's model, and the fundamental assumption upon which it rests, is what he calls 'process criteria of effectiveness'. This is the key explanatory proposition of his model, the one which he believes can be used to understand why some groups are more effective than others, to diagnosis the strengths and weaknesses of groups, and to prescribe what can be done to make them more effective. He argues (p.323) that the overall effectiveness of work groups is a function of the following process criteria:

- The level of effort group members collectively expend carrying out the task.
- The amount of knowledge and skill members bring to bear on the group task.
- The appropriateness to the task of the performance strategies used by the group in its work.

As Hackman explains (p. 324):

> *They are the hurdles a group must surmount to be effective. To assess the adequacy of a group's task processes, we might ask: Is the group working hard enough to get the task done well and on time? Do members have the expertise required to get the task done well and on time? Do members have the expertise required to accomplish the task, and are they using their knowledge and skill efficiently? Has the group developed an approach to the work that is fully appropriate for the task being performed, and are they implementing that strategy well?*

In his view, diagnosis, understanding, and intervention begins by asking these fundamental questions about the group.

The high-level factors which have emerged in this study of an inter-organisation benchmarking network and common interest groups, are clearly consistent with the process criteria of effectiveness postulated by Hackman in the context of intra organisational work groups. With the exception of the role of the facilitator, the same basic determinants of effectiveness emerged in this study, as Hackman found in his analysis of work group effectiveness. The determinant of effort was nearly identical to Hackman's conception of effort. Likewise, the determinants of organisational and individual readiness correspond to his notion of ability and skill. At the same time, this researcher's group processes determinant is similar to Hackman's task performance strategies. The only major difference

was the importance of the facilitator which reflected, in part, the inter-organisational setting of this research. Given the nature of the process, particularly the use of small common interest groups, it is hardly surprising that similar determinants emerged in this case. Depending on how you look at it, the findings presented here are either strengthened by the support from Hackman's theory, or support his intra-organisational findings in an inter-organisational setting.

8.11 Chapter Summary

The application of grounded theory techniques to the data gathered in this case study enabled the researcher to answer the second primary research question posed in this study:

> *What were the key determinants of the effectiveness of the group benchmarking process?*

The determinants which emerged during this research project were labelled as follows:

- Effort
- Organisational Readiness
- Individual Readiness
- Process Structure
- Network Facilitator
- Group Processes

It was found that the effectiveness of the group benchmarking process depended on how much sustained (quality) effort was put into the process, how ready the organisations and individual participants were to benchmark, the structure and nature of the process, the amount (and quality) of the facilitation participants received, and the effectiveness of processes used by the common interest benchmarking groups. Each of the these determinants was described and their impact on the effectiveness of the group benchmarking process discussed. The findings in this study were also compared to the benchmarking, quality networking, and best practice literature, as well as to the work of Hackman in the area of group effectiveness. Support for the findings presented here was found across these bodies of knowledge. In the final Chapter of this dissertation, the researcher will explain how the findings also extended knowledge in these areas.

Finally, the high-level model of the determinants of group benchmarking process effectiveness is grounded in the data of this exploratory case study. Support for the model is found in the benchmarking, quality network, best practice, and group behaviour

literatures. It is likely to provide a useful frame of reference for future researchers examining similar settings and contexts. Likewise, it should be useful to practitioners and policy makers interested in developing and/or improving their efforts to use inter-organisation networks and common interest groups to transfer best practice. The model proposed here is useful- it fits and works.

CHAPTER NINE

Summary, Conclusions and Implications

This final Chapter presents a summary of the research programme. It also presents the conclusions derived from the use of an action research method to establish a group benchmarking process to help organisations find best practice. In addition, it sets out several hypotheses and suggestions for further studies in this area.

9. 1 Summary

9.1.1 Purpose

The purpose of this study was:

- To initiate the technique of business process benchmarking within a small network of companies in the Northeast of England.
- To provide an opportunity for participants, including the researcher, to learn experientially about business process benchmarking, best practice transfer and related areas.
- To make a contribution to propositional knowledge in the area of benchmarking and quality networking.

The nature of these objectives reflects a fundamental assumption that research can, and should, try to produce both positive action and traditional research outcomes. This assumption is consistent with the action research approach which often begins with a practical or 'local' problem in demand of a solution (Dick, 1993, 1997a, 1997f; Abraham, 1997; Perry and Zuber-Skerrit, 1992; Karlsen, 1991). It then seeks to combine action and research in multiple, inter-linked cycles of planning, acting, observing and reflecting (Kemmis and McTaggart, 1988; Carr and Kemmis, 1986; Perry and Zuber-Skerrit, 1992; Abraham, 1997) to address the local problem, build local understanding and to use this experience to contribute to propositional knowledge in the larger field of study (Abraham, 1997; Bunning, 1995; 1995a; Perry, 1998; Hult & Lennung, 1980).

9.1.2 Background

Failure to adopt best available practice has been estimated to cost the UK economy in the region of £300 billion lost GDP per annum (CBI 1997:4, see also Lant and Mezias, 1990). A key challenge, at both an organisational and inter-organisational level, is how to transfer best available practice to make better use of existing knowledge to remedy this problem and improve the competitiveness of UK businesses. A further issue is how to ensure the

transfer process is accomplished in as an effective and efficient manner as possible (see Camp, 1995, Szulanski, 1996).

Not surprisingly, a number of groups, including the CBI, DTI, regional development organisations, consulting firms, trade associations, and universities, have launched initiatives to encourage the transfer (i.e. discover, exchange, adapt, and fully implement) of best available practice (DTI, 1992). The Best Practice Club and the Benchmarking Network described in this dissertation provide two examples of quality networking efforts which have sprung up in recent years to encourage the transfer of best practices between organisations.

Whilst intuitively appealing, efforts to enhance business performance through the transfer of best practice can be fraught with difficulties. Recent evidence suggests that the process of best practice transfer can be rather 'sticky', i.e. more costly, of less benefit, and/or more time consuming than anticipated (Szulanski 1993, 1995; Chew et al, 1990, Camp, 1995). For example, Szulanski (1995), in a study of intra-firm transfers, found that, on average, it took 27 months to discover an existing best practice, and another 9 months to do anything with it.

Mounting anecdotal evidence published in the practitioner-orientated literature suggests that organisations can use 'benchmarking' to find and implement (i.e. transfer) best practices which exist outside and inside the organisation (Camp, 1995, Andersen and Camp, 1995; Watson, 1992, 1993; Zairi, 1992, 1994; Boxwell, 1994). There has been significant interest from practitioners, and a number of examples of benchmarking 'good practice', particularly from large, quality mature organisations. However, there is significantly less evidence that most organisations' benchmarking efforts are particularly effective, i.e. result in the transfer of 'best' practices, in a cost effective and timely manner. For example, some sources indicate that as few as 5% of benchmarking projects actually result in the transfer of best practice (CCI, 1993). Other observers have noted that what passes for benchmarking in many organisations is really 'industrial tourism' (Garvin, 1993:86, Watson, 1992; Zairi and Leonard, 1994, CCI, 1993), in most cases providing little real benefit to participating organisations. As Szulanski (1996) concluded, one of the biggest impediments to the transfer of best practice was lack of skill, rather than lack of desire. Organisations simply didn't know how to transfer best practices.

Similar questions can be raised about quality networking initiatives. That is, are they particularly effective methods of finding best practice? Unfortunately, little effort has been made to systematically evaluate the effectiveness, or to understand what factors can influence the effectiveness of common interest benchmarking groups, benchmarking networks, and other quality networking initiatives. Consequently it is unclear the extent to which, and the conditions under which, their efforts might assist participating organisations to effectively find and, later, implement best practices. One could ask whether organisations might be better off 'going it 'alone', without the help of agencies like the DTI, or the Business School at the University of Northumbria to organise networks and create inter-organisational benchmarking groups. Instead of providing 'synergistic process gains' (Hackman and Walton, 1986; Hackman, 1987), delivering economies of scale, or promoting co-operation, which might enhance the transfer of best practice, they may simply create an additional set of impediments to the spread of best practice which didn't previously exist.

9.1.3 Research Strategy

Within the overall framework of an exploratory case study, a participative action research method was used to design, implement, and refine what was known as the group benchmarking process. This method, led by the researcher, involved multiple cycles of plan, act, observe and reflect to create each key stage in the group benchmarking process. As a result, an inter-organisational benchmarking network was established and several common interest benchmarking groups were created. The design, implementation, and improvement of the group benchmarking process served as the case study upon which the researcher focused his investigation of effectiveness and the key determinants of effectiveness.

The research programme began with an initial review of current theory and practice in the areas of benchmarking, total quality management, quality networking, action research and qualitative methods (see also Figure 1.2 in Chapter One). This was supplemented by detailed discussions with potential Benchmarking Network members about their expectations and reasons for participation. As the research programme unfolded, the researcher continued to access the benchmarking and related literature, but also began exploring some of the literature in fields of best practice transfer, strategic networks, resource theory, diffusion of innovation, organisational learning, isomorphism, and group behaviour, looking for insights from these fields which might help to improve the group

benchmarking process, as well as provide a better understanding of effectiveness and potential determinants.

This created a useful 'dialogue' or dialectic between the relevant literature, the emerging 'grounded' theory, which was developing as the programme progressed, and the demands of those participating in the research. The outcome of this on-going dialogue helped to shape the researcher's growing understanding of effectiveness and its determinants, as well as how to improve the group benchmarking process. The following conclusions were drawn from the literature review:

1. A reasonably strong conceptual and empirical link exists between the application of best practice and superior performance. Failure to apply best available practice represents a significant opportunity cost to organisations and to the economy as a whole. One promising method of reducing this opportunity cost is to transfer existing best practice from within and outside the organisation. This provides a compelling reason to try to create a process which could help organisations find best practice.
2. Unfortunately, the transfer process has a number of fundamental impediments which can make it more costly, more time consuming, and of lesser impact/quality than expected. Thus, the process has been labelled as 'sticky' by some researchers (e.g. Szulanski, 1993; 1993a; 1994; 1996).
3. Benchmarking is a technique which can be used to find and implement (i.e. transfer) best practices which exists outside and inside the organisation. There has been significant interest from practitioners, and a number of examples of benchmarking 'good practice', particularly from large, quality mature organisations.
4. Much of the benchmarking literature is practitioner-focused. Key findings and insights are based on the experience of the author(s), most of whom are consultants and practitioners. Few of the primary sources reviewed make explicit the research method they have used to reach their conclusions.
5. A fair bit of confusion, particularly amongst practitioners, exists as to what actually constitutes benchmarking. As a result, there has been a proliferation of 'types', of definitions, and of methods of application. The lack of a standard definition and practice makes it difficult to determine how widespread the practice actually is.
6. Leading benchmarking experts and quality-mature, experienced benchmarkers have converged on a definition of benchmarking which stresses it is a systematic, rigorous process for finding and implementing best practices. It focus on both measures and enablers/practices, not one or the other. This researcher endorsed this definition of benchmarking and attempted to use a systematic, rigorous process, both when preparing to benchmark and within the common interest benchmarking groups.
7. A sharp dichotomy exists between the theory and practice of benchmarking. Leading experts and a small minority of quality mature organisations are applying benchmarking in a structured rigorous manner. The vast majority of organisations are not. What passes for benchmarking in many organisations could probably be best described as industrial tourism or performance measurement and comparison, rather than measures in search of enablers.
8. Quality mature, experienced benchmarkers are increasingly focusing their benchmarking efforts on improving their key business processes. Business process benchmarking is

regarded as the most complex form of benchmarking requiring a fairly high degree of quality maturity to be successful.

9. There is limited evidence that most organisations' benchmarking efforts are particularly effective, i.e. result in the transfer of 'best' practices, in a cost effective and timely manner.

10. Many organisations are unable to business process benchmark effectively, mainly due to a lack of quality maturity. That is, they didn't understand their critical success factors or the key processes which supported them, nor did they apply systematic business process management techniques. As a result, they were ill-prepared to benchmark, particularly business process benchmark.

11. In addition to lack of quality maturity, other factors critical to the success of a benchmarking project include management commitment, the application of adequate and appropriate resources (e.g. the process owner), training in the benchmarking process, project size, process rigour and discipline, and partner co-operation.

12. Most of the benchmarking literature has focused on single organisations establishing dyadic benchmarking relationships with other organisations. In a few instances, however, the benchmarking literature has addressed the issue of benchmarking networks and common interest groups, hinting that these types of benchmarking have potential to be effective methodologies.

13. Within the benchmarking literature, little identifiable material exists which examines the effectiveness of benchmarking networks and common interest groups as a method of finding best practice. Several authors discuss networks and common interest groups but provide little evidence of their effectiveness. Likewise, they don't address the issue of what factors contribute to success.

14. Quality networking is not the primary vehicle for continuous improvement for most organisations. Because it is not a particularly high priority, it needs to have a low participation threshold.

15. In the quality networking literature, none of the material attempted to determine the effectiveness of quality networking in finding best practices. The only definition of effectiveness considered was in terms of global outcomes (e.g. financial measures) not finding best practices.

16. Few of the specific initiatives reviewed by researchers in the field of quality networking actually attempted to measure effectiveness.

17. The quality networking literature didn't specifically address initiatives which used a benchmarking process, analogous to the one developed in this research program. Therefore, it can be concluded that prior to this study, the effectiveness of networking and common interest group approaches to benchmarking had not been established, and the key determinants of effectiveness had not been identified.

Several primary methods of data collection were used in this case study. These were:

- **Participant observation**- The researcher played the lead role in the design, implementation and refinement of the group benchmarking process. As well as participating in the process he systematically observed the actions of the other participants.
- **Semi-structured interviews**- Key participants, who had been nominated as the Network contact person for their organisation, were interviewed shortly after the first common interest groups got underway. After the common interest groups completed their work, a further round of interviews was conducted with the contact persons. All formal interviews were tape-recorded. They were reviewed, and after listening to each recording several times, notes were transcribed and analysed.

- **Review of Documentation**- Documentation from a variety of sources, including common interest and steering group meeting notes, common interest group reports, and the like was gathered.

Triangulation, where possible, was achieved by comparing responses across common interest group members, direct observation by the researcher and other members of the research team, and by interviewing other members of the participants' organisation, such as supervisors and/or co-workers. The researcher also interviewed other members of the research team, as well as the director of another local networking initiative.

A grounded theory approach was used to analyse the data. This technique was chosen because it was deemed most appropriate both for the style of case study undertaken (i.e. exploratory), the method used (i.e. action research) and the nature of the primary data collected (i.e. interviews and participant observation). The stages of data analysis reflect those outlined by Easterby-Smith et al (1991), and were as follows:

- initial familiarisation
- reflection
- conceptualisation
- cataloguing and re-coding
- linking
- re-evaluation and review.

The researcher reflected on, and analysed the data at key stages in the process to help determine the next actions, as well as to produce an internal preliminary report. Early versions of this report were presented back to selected participants for their review and comments. Preliminary findings were also presented to research groups and conferences, and to organisations considering becoming involved in subsequent iterations of the group benchmarking process. Review and reflection was also an integral part of the interview process, as the researcher used subsequent interviews to pursue emerging themes and to look for evidence which might disconfirm his developing understanding.

9.1.4 Research Questions

This was an exploratory case study designed to develop theory rather than test it. Therefore it was considered appropriate to base the study on research questions. In the light of the stated problem and the objectives of this study, two primary research questions were posed:

- Was the group benchmarking process an effective method of finding best practice?

- What were the key determinants of the effectiveness of the group benchmarking process?

For the purposes of this study, effectiveness was defined as:

Doing the right things

Effectiveness was evaluated using the following three measures:

- Quality- Did the process produce its intended result, i.e. finding best practice?
- Timeliness- Was the intended result produced in a timely fashion?
- Cost- Was the intended result produced in a cost effective manner?

Both the definition of effectiveness and the measures of effectiveness used by the researcher are considered 'standards' in the quality management literature. In addition, they are typical measures of business process effectiveness, are commonly used during a business process benchmarking exercises, and are implicit in the stickiness framework of Szulanski.

Actual outcomes were compared to expected outcomes. Expected outcomes were considered from three perspectives- the researcher, the participants, and the benchmarking and quality networking literature.

9.1.5 Scope and Limitations of the Study

This study examined one quality networking initiative, the group benchmarking process which was created by the researcher as an integral part of the research program. Participants represented organisations based in the Northeast of England between 1994 and 1997. No other examples of quality networking were examined first hand, therefore no attempt was made to directly compare other initiatives to the one discussed in this dissertation. Likewise, this study analysed only one full iteration of the group benchmarking process. It didn't attempt to compare across iterations of the process, though some of the refinements to the process have been described in this document. In the original research design this type of comparison was planned. However, because iteration one took much longer than originally anticipated, no comparison across iterations was possible due to time and funding constraints. The study also focused only on the issue of finding best practices, as opposed to transferring best practices. Finding or discovering is stage one of the transfer process. The time scale of the project limited the main focus of the study to this first step in

the transfer process. Little attempt was made to analyse implementation or the benefits achieved as a result of implementation.

The study was also limited by the size of the population studied (eleven organisations in-depth and 24 individual participants out of a possible 27 that were involved in some part of the process); the inherent limitations of methods used to collect and analyse the data (e.g. participant observation, semi-structured interviews, documentary evidence, triangulation, grounded theory), the changes to the population (organisations and individuals); the fact the researcher was being paid and was the manager, organiser and main facilitator of the group benchmarking process; and only one iteration of the process was studied.

9.1.6 Assumptions

The researcher decided to conduct an exploratory study because he was unable to find other examples of research which examined the effectiveness of a common interest group benchmarking process and the key determinants of effectiveness. This decision is predicated on the assumption that he uncovered all relevant material while conducting the literature review. The researcher also assumed that the data he collected were accurate and reliable and that he used all reasonable means available to ensure this was the case. It is also assumed that interviewees were honest and truthful in their responses and that the interviewer didn't systematically bias their responses while conducting the interviews.

9.2 Conclusions

The findings and conclusions which follow are based on analysis of the data collected in this exploratory case study. The findings and conclusions are subject to the limitations expressed above and therefore caution should be exercised in their interpretation.

9.2.1 Question One: Was the Group Benchmarking Process an Effective Method of Finding Best Practice?

A total of twenty seven (27) organisations participated in some part of the group benchmarking process over the course of the single iteration which formed the basis of this study. Only eleven (11) organisations could be considered to have played an active role in most stages of the process. Of the eleven (11) active participants, only six (6) completed the full process by participating in a common interest group. Of the six (6) which participated in a common interest group, none actually found best practice. Therefore, it

can be concluded that the group benchmarking process was not an effective method of finding best practice in this case.

Focusing on the eleven active participants, the actual outcomes achieved fell into the following categories:

- Learn How to Benchmark
- Understand Own Process
- Discovering Good Practice
- Discovering Better Practice

Eight (8) of the eleven (11) organisations reached the level of learning how to benchmark. Of the six (6) organisations which participated in a common interest group, all reached the level of better understanding their own process. Five (5) of the six (6) common interest group members reached the level of discovering good practice. Two (2) common interest group members achieved the level of discovering better practice. None claimed to have found best practice as a result of participating in the group benchmarking process. In addition, only one (1) organisation claimed to have implemented the new knowledge gained, though several participants claimed some success in transferring their new knowledge of the benchmarking process across their organisations.

If the definition of effectiveness is considered in the light of it success in meeting the objectives of participants who completed the entire process (as opposed to the objectives of the researcher), the findings are significantly more positive. The primary objectives of this group of participants were to find better practice and learn how to benchmark. The participants' weightings between these objectives were never made explicit, and changed over time as their experience grew and their expectations changed. One hundred percent (100%) of participants who completed the entire process learned how to benchmark. Furthermore, one hundred percent (100%) gained a better understanding of their own process, a key step in the process of finding best practice. In addition, five (5) of six (6) (i.e. 83%) found good practice, and two (2) of six (6) (i.e. 33%) found better practice. It can therefore be concluded that the process was significantly more effective in terms of participants finding better practice, good practice, gaining a better understanding of existing practice, and learning how to benchmark.

Irrespective of the specific outcomes achieved, most participants didn't consider that the results were achieved in a timely fashion. That is, participants considered the cycle time of the group benchmarking process to be unacceptably long, with one participant likening the pace to that of an anaemic snail. The actual cycle time of the common interest groups, however, was comparable to a standard benchmarking exercise conducted outside the context of a benchmarking network and common interest groups. None of the participants had actually experienced any other type of business process benchmarking, and therefore, had no basis of comparison.

Participants believed the process was more complex than it needed to be, and as a result was thought to require more of their time/human effort than would otherwise have been necessary. However, rather than put in more time, most participants put an implicit limit (or had an implicit limit placed on them by their superior) on the time they would spend on the group benchmarking process during any given period. Participants actually took short-cuts to reduce the time required and/or simply spread out the steps over a longer period (thereby increasing the cycle time of the process). Whilst participants didn't consider the process to be particularly cost effective, in comparison to the amount of human effort consumed during a typical benchmarking project, group benchmarking was actually quite cost effective. The financial cost of group benchmarking was minimal, and was not an issue in this case. The opportunity cost (relative to benchmarking alone) was positive because most participants believed they would never have started benchmarking without having participated in the group benchmarking project. However, the opportunity cost relative to other uses of most participants' time and attention was clearly higher, evidenced by the minimal amount of human effort they allocated to the group benchmarking process.

To summarise, in this case, the group benchmarking process was not an effective method of finding best practice. It didn't achieve its intended result. Likewise, it was not considered by participants to be timely or particularly cost effective. However, it was significantly more effective in achieving one of the participants' intended result- learning how to benchmark and in helping them to take their first tentative steps in the benchmarking process.

9.2.2 What Were the Key Determinants of Group Benchmarking Process Effectiveness?

Over the course of this study, six factors emerged which determined the effectiveness of the group benchmarking process. The determinants identified by the researcher were:

- Effort
- Organisational Readiness
- Individual Readiness
- Process Structure
- Network Facilitator
- Group Processes

It was found that the effectiveness of the group benchmarking process depended on how much sustained (quality) effort was put into the process, how ready the organisations and individual participants were to benchmark, the structure and nature of the process, the amount (and quality) of the facilitation participants received, and the effectiveness of processes used by the common interest benchmarking groups.

In this case the amount of human effort/time which was allocated by most participating organisations was grossly insufficient relative to the requirements of the process. Essentially, participating organisations put a threshold on the amount of effort which could be allocated to the project. Individual participants then had to work within this threshold. The relative priority to the individual participant was also important, as they could 'bend the rules' a bit to put more of their own personal time into the project. By the same token, they could do the bare minimum, and barely conceal their lack of interest. Both had a noticeable impact on the relative effectiveness of the process. The threshold was determined by the relative priority of the group benchmarking process and the projects chosen for benchmarking, which tended to be quite low for most participating organisations. For most participating organisations and individuals, the Benchmarking Network and common interest groups were 'nice do items' which weren't allowed to interfere with the business of working. Because effort was restricted to a few man days per month, the group benchmarking process moved quite slowly, and as a result benefits were very slow to materialise. This pushed the project even farther down the list of priorities creating a vicious circle with most participants' efforts tailing off significantly as the project progressed.

Most of the organisations which participated in this study were simply not ready for business process benchmarking. The few that were ready made the perhaps sensible decision not to get involved with those who weren't. Organisational readiness primarily reflected participating organisations' level of quality maturity which was quite low. Most didn't understand their critical success factors or systematically manage their key processes. They had little previous benchmarking experience and were on a sharp learning curve to be

ready to business process benchmark, considered the most advanced form of benchmarking by most experts in the field. The same lack of benchmarking experience described the individual participants in this case study. Few had any benchmarking experience, even fewer had business process benchmarking experience. In the case of inexperienced benchmarkers the process is likely to take longer, require more effort and produce lower quality results. If effort is essentially fixed, the main effect is longer cycle time and lower quality results, as happened in this case. As with effort, longer cycle time impacts the willingness of participants to apply effort, creating the vicious circle mentioned above.

The structure of the group benchmarking process was also a key determinant of effectiveness. The process was viewed at the time as overly complex and bureaucratic by most participants, though many reconsidered their assessment after reflecting on the results achieved during the first iteration of the process. The process was designed by the researcher to be rigorous and systematic not bureaucratic, however, most readers of this dissertation will likely agree that it probably erred on the side of bureaucratic rather than rigorous. The purpose was to ensure the group benchmarking process didn't fall back into the industrial tourism of its predecessor, the Best Practice Club. Most participants agreed that if left to their own devices they would probably slipped into industrial tourism. An inexperienced facilitator concerned about doing things by the book overly complicated the process. As a result, he learned a painful lesson about the dichotomy between the theory of benchmarking in the textbooks and the practice of benchmarking in the field. Given that effort was essentially fixed, the process ground to a halt, participants dropped out or lost interest, and finally forced the researcher to simplify the process. The simplified process was significantly less rigorous, and resulted in the selection of benchmarking projects which were of relatively low priority for many participants. As the process dragged on, participants and their organisations lost interest and reduced their effort.

The Network facilitator, a role primarily played by the researcher (with support from his superiors at the Business School) also emerged as an important determinant of effectiveness. The facilitator was the catalyst for establishing the networking and creating the common interest groups. When not overly complicating the process, he actually helped to reduce the cost of interaction and the group benchmarking process by providing some expertise in benchmarking and process facilitation. He also served as a champion for the

process and helped to motivate participants to put in more effort than they might have in his absence. However, the facilitation role, in this case, was both under-skilled and under-resourced for the task. The facilitator requires both process facilitation, benchmarking expertise, and knowledge of the process being benchmarked. The lower the level of individual and organisational readiness, the more complicated the process and type of benchmarking required, the less the effort available, (and the greater the number of participants) the greater the facilitation resources required. Like effort in this case, facilitation resources were fixed and were insufficient for the task at hand. Like the individuals and the organisations in this study, the facilitator was not fully ready.

The final determinant of group benchmarking process effectiveness was the benchmarking process used by the common interest groups and whether they used effective group processes. The benchmarking process applied by the two common interest groups could be described as 'somewhat' systematic and rigorous. They did spend some time trying to understand their own processes before going out to look at how other organisations do things. They also spent some time creating a data collection instrument to focus their benchmarking efforts. In both cases process rigour was limited by the relatively small amount of time participants were willing and able to allocate to the group benchmarking process. When it came to selecting benchmarking partners, one common interest group never went beyond members of the common interest group, though none were considered to be examples of better or best practice. They applied their benchmarking survey to team members, analysed the results and published a short report outlining the better practices they discovered. The other common interest group made only a cursory search for potential benchmarking partners and chose the first ones they came across. Only one member actually applied the survey and only two members analysed the data to identify better practices. The three remaining members made little use of the findings. In neither common interest group was the benchmarking process applied with any real degree of rigour or discipline. In neither common interest group did any of the individual member claim to have found best practice.

Neither common interest group used particularly effective process to manage themselves and their group benchmarking project. For example, neither agreed a set of common objectives or a time scale in which these objectives would be achieved. No real leader emerged (or was appointed) from amongst what was a essentially a group of equals.

Likewise, there was little sense of a common purpose or shared responsibility for achieving the outcomes of the group. Similarly, neither group developed any significant amount of process gains from positive synergy over the course of the project. Furthermore, as the efforts of some group members waned, and an imbalance of effort became noticeable within the groups, any process gains which has started to emerge quickly dissipated. In short, neither group developed past a collection of individuals who met once a month to work on a low priority project in which most were not particularly interested. They never evolved into a true common interest group, much less into a high performance team which could effectively find best practices.

9.3 Contribution to the Literature

The following sections outline the contribution which this study made to the benchmarking and quality networking literature in area of benchmarking networks and common interest groups.

Leading benchmarking authorities such as Camp (1989, 1995), Watson (1992, 1993), Spendolini (1992), Zairi and Leonard (1993), Boxwell (1994), McNair and Liebfried (1992), amongst others, have focused most of their attention on the single organisation benchmarking 'independently', i.e. outside the context of a network or a common interest group. These authors, and others, have supplied numerous examples of the effective, and ineffective, application of the benchmarking process in a variety of contexts, by single organisations, benchmarking 'independently', as opposed to inter-dependently as part of a network or common interest group. When examining the effectiveness of the benchmarking process and identifying the determinants of effectiveness, they have focused almost exclusively on the single organisation, engaged in one-to-one or 'dyadic' benchmarking. This study extended the discussion of benchmarking process effectiveness and the key determinants of effectiveness by examining the issue in the context of an inter-organisation benchmarking network and common interest benchmarking groups. It found that many of the same factors which were critical in a single organisational setting, such as preparation, commitment of effort and the use of a structured process were also essential in an inter-organisational group setting.

Leading benchmarking authorities, such as Camp, Watson, and Boxwell have all noted the existence of common interest benchmarking groups and benchmarking networks and, to

varying degrees, have explored the potential benefits of these approaches to the benchmarking process. However, none has yet to systematically address whether the process is an effective method of finding best practice, or to identify the key determinants of effectiveness. Simply put, little identifiable material existed at the time of this study which addressed the effectiveness of benchmarking networks and common interest groups in finding best practices.

The research questions asked and answered in this study directly addressed this clear gap in the benchmarking literature. This study provided a simple definition of effectiveness- Doing the right things, and used three well accepted criteria to measure process effectiveness. It evaluated the effectiveness of one example of a common interest group approach to the benchmarking process. It comprehensively described the key determinants of effectiveness which emerged over the course of the study, and proposes in the next section a contingency model of group benchmarking process effectiveness and a set of hypotheses to be tested by future researchers.

The significant gap also exists in the quality networking literature, typified by the work of Kunst et al (1996) and Cleveland (1995, 1995a). Both examined quality networking initiatives which were conceptually similar to the group benchmarking process. Kunst et al (1996), examined a number of quality networking initiatives around the European Community, providing a clear definition of quality networking, as well as a scheme for classifying the various initiatives they have studied. They admitted it was difficult to assess the effectiveness of quality networking, and noted that very few of the initiatives they studied actually attempted to do so. Nevertheless, Kunst et al did identify what they called the critical success factors for quality networking, which would be similar to this researcher's determinants of effectiveness. However, the definition of effectiveness is not stated in terms of finding best practice. Rather, they attempt to define effectiveness in terms of 'global outcomes' (e.g.) financial measures. That is, they attempt to assess the impact of quality networking interventions on organisational performance. As Hackman and Wageman (1995) comprehensively illustrate in their review of the total quality management literature, this is not a wise idea. Instead, the link between specific interventions and global outcomes should come through process criteria of effectiveness.

This study followed the advice of Hackman and Wageman and limited the definition of effectiveness to the finding of best practice, a concept which could be more readily evaluated. It applied this definition to the group benchmarking process clearly illustrating a new methodology for assessing quality networking effectiveness. In addition, it identified the factors which were critical to effectiveness in the specific context of finding best practice. This had not previously been done in the quality networking literature. Previous authors had asked whether the process was effective. They either failed to define effectiveness or chose a definition which is difficult, if not impossible, to evaluate.

Finally, the quality networking literature didn't specifically address the issue of benchmarking networks and common interest benchmarking. Both Kunst et al (1996) and Cleveland (1995, 1995a) describe a variety of different quality networking initiatives. However, neither specifically studied a benchmarking network or common interest groups. Their findings related to effectiveness and success factors apply to the general case of quality networking, not necessarily to the specific cases of benchmarking networks and common interest groups. Therefore, it could be concluded that the effectiveness of networking and common interest group approaches to benchmarking had not been established, and the key determinants of effectiveness had not been identified. This represented a significant gap in knowledge. This study has filled this specific gap in quality networking literature by evaluating effectiveness in the case of a benchmarking network and common interest group benchmarking process. Likewise, it has identified the key determinants to emerge in this setting, many of which clearly reflected the context in which the study was conducted. That is, they could be considered 'benchmarking specific' as opposed to 'quality networking specific'.

9.4 Conditions Under Which the Group Benchmarking Process May Be An Effective Method of Finding Best Practice

By answering the second research question:

What are the key determinants of group benchmarking process effectiveness?

it is possible for the researcher to suggest the conditions under which a group benchmarking process may be an effective method of finding best practice. This is essentially a contingency model of group benchmarking process effectiveness. The model and the hypotheses which it suggests can be tested by future researchers working in the field of benchmarking and quality networks. The model can be stated as follows:

The effectiveness of the group benchmarking process is contingent upon:

- The amount, quality, and steadfastness of the effort put in by participants;
- The level of organisational readiness, i.e. preparation for benchmarking of the participating organisations;
- The level of individual readiness, i.e. benchmarking expertise and process knowledge of the individual participants;
- The process group benchmarking process structure being appropriately balanced between process rigour and over-complexity;
- The level/amount and quality of facilitation provided to network members
- The common interest groups using a rigorous, systematic benchmarking process
- The common interest groups using effective group and project management processes, including establishing a common goal and accepting joint responsibility for project success

9.5 Hypotheses and Suggestions for Future Research

The contingency model can be restated as a series of hypotheses to be tested by future researchers. These are as follows:

- If a sufficient number of participating organisations allocate adequate and motivated resources to the group benchmarking process, over a sustained period, then the group benchmarking process can be an effective method of finding best practice.
- If a sufficient number of the individual participants have meaningful benchmarking experience, and the organisations they represent are quality mature and ready to benchmark, then the group benchmarking process can be an effective method of finding best practice.
- If the networking process is rigorous, but not overly complex, then the group benchmarking process can be an effective method of finding best practice.
- If the level and quality of network facilitation is sufficient, then the group benchmarking process can be an effective method of finding best practice.
- If the common interest groups apply a rigorous, systematic benchmarking process, then the group benchmarking process can be an effective method of finding best practice.
- If the common interest groups use effective group and project management processes, including establishing a common goal and accepting joint responsibility for project success, then the group benchmarking process can be an effective method of finding best practice.

Each of these hypotheses can be tested by creating two control groups, one where the variable is present, the other where it is absent. The effectiveness of the two groups can then be compared. The control group could be a separate benchmarking network or it could be simply two different common interest groups within a single network. The approach would depend on which determinant is being tested. The model could also be tested using quantitative research methods. Each of the key determinants could be operationalised, as could the dependent variable, effectiveness. Data could then be collected across a number

of benchmarking networks using similar common interest benchmarking processes. This would provide additional insight into the relative strength of each determinant in the model of group benchmarking effectiveness.

9.6 Some Outstanding Issues and Recommendations

Some final issues can be raised before bringing this dissertation to a close. They troubled the researcher over the course of this project, and get to the heart of whether a group benchmarking process can ever really be an effective method of finding best practice. They can be stated as challenges for future practitioners and researchers:

- How to make the group benchmarking (or similar quality networking initiatives) a high enough priority for participants to devote sufficient resources/effort to make the process effective?
- How to reduce the participation threshold (i.e. cost) of group benchmarking without losing the rigour necessary to find best practice?
- How to create a group/network of organisations that are ready to benchmark, and which can also supply personnel that have sufficient benchmarking expertise?
- How to create common interest groups with a true common interest, purpose and shared responsibility so that they develop into a high performance team?

Fundamentally, the question is-

How to reduce the amount of effort required and at the same time increase the amount of effort available.?

This involves making the networking process to use Szulanski's term, less sticky, i.e. less costly, less time consuming, while delivering better quality results. It also involves raising the priority of the activity so that more effort it is forthcoming from participants.

It would be unfair to leave without providing several recommendations on how to address these challenges. The recommendations can be stated as follows (they are not listed in order of importance):

- Establish clear objectives for the group benchmarking process at the outset/inception. This includes the time frame for benchmarking projects, the true resource requirements (and timings), potential difficulties, and the potential outcomes.

- Ensure all participants understand and accept the objectives and agree to provide the resources required during the time period required.

- Gain the support and commitment of the most senior manager(s) in the participating organisations to the objectives and the resource requirements. They must understand

and commit to meeting the objectives, the time frame and resource requirements beforehand if they are invited to participate.

- Don't rely on the commitment and understanding of the network representative, usually the quality manager. With all the good intention in the world, the network representative acting alone cannot adequately support group benchmarking. Disqualify any organisations/individuals which can't commit to the objectives.

- Select organisations which are ready to benchmark and can supply personnel to represent them which are also ready to benchmark. Personnel can be trained fairly quickly by the network facilitator. Organisations can not. If they are not quality mature and are not ready to benchmark, don't get them involved if your objective is to find best practice. They won't, and they may prevent others from doing so.

- Simplify the project selection process, provide training and facilitation to organisations to make it happen effectively. The main purpose is to ensure organisations select manageable projects which are a priority to their organisation. Otherwise, they are likely to lose interest halfway

- Tightly focus any benchmarking projects reducing the cycle time to ensure benefits are achieved in a timely fashion. Visible results will promote commitment, not only from those directly involved in the project, but also other network participants.

- Track the benefits of participation, and broadcast them as widely as possible, to build and retain support and commitment to the network from participants and their senior management sponsors.

- Provide intense facilitation to the common interest benchmarking groups. This includes team building during the objective setting and project planning processes. This can help develop the collection of individuals into a group, and possibly into a high performance team. Then you might see synergistic process gains, rather losses due to co-ordination problems, poor team behaviours, and the like.

- Use a rigorous, structured benchmarking process in the common interest groups to increase the probability they find best practice. Provide research support to the common interest groups and access to expertise for the specific process being benchmarked. This will reduce the 'time' cost to participants and reduce the cycle time, thereby increasing the delivery of benefits.

- Charge fees which reflect the value of the services provided. Not only does this force participants to more carefully consider their reasons for participating, it ensures the long term viability of the network.

These recommendations are based on the researcher's experience of reflecting on the processes, outcomes, and determinants which emerged in this study, as well as the literature which was reviewed. Taken together, they should increase the likelihood that a group benchmarking process can be an effective method of finding best practices. Unfortunately, they come with no guarantee.

Notes

[i] See for example, Dewey (1929) and Argyris and Schon (1978) or Jick et al, 1993 for a summary

[ii] For example, as Schein (1995a,1995c,1995d) has pointed out, it is likely to cause psychological uncertainty which may motivate efforts to change if properly supported. On the other hand, psychological uncertainty may prompt defensive behaviour or denial. By also demonstrating the means by which change can occur, benchmarking may provide additional psychological safety to those involved in the change process.

[iii] See Jick et al (1993) for a discussion of how organisations generate ideas, or Cole (1994) and Levitt and March (1988) for a discussion of how organisations learn new routines.

[iv] This an abbreviation for standard industry classification.

[v] CCI is an abbreviation for the Council for Continuous Improvement.

[vi] APQC is an abbreviation for the American Productivity and Quality Centre.

[vii] i.e. organisations with a long history of implementing total quality management- for example Xerox.

[viii] As the term 'group benchmarking' was coined by a member of my supervisory team, Dr. Vas Prabhu, no references to it, or definitions of it, were found in the literature prior to the inception of this research programme.

[ix] These included Productivity Northeast and the EFQM Forum (organised by GNP, headed up by David Williams, formerly of the Northeast Development Corporation).

[x] It is probably more appropriate to say examples of better or different practice. There is little evidence to support the contention that examples of 'best' practice, as defined later in this paper, actually existed in the Best Practice Club.

[xi] This was done primarily by Yarrow, Appleby and Prabhu who were responsible for the Best Practice Club and for these preliminary efforts. This researcher had not started the study at this point. Feedback from participants and organisers about the preliminary efforts was gathered by this researcher at the outset of this study.

[xii] A bit of what DiMaggio and Powell (1983) refer to as 'normative isomorphic pressure' may have been encouraging participation.

[xiii] Cited in Cole (1994:70)

[xiv] The terms standardisation, replication, and diffusion are used interchangeably throughout, though it is recognised by the researcher that they may not mean exactly the same thing in all cases. The main point is, first a better practice or method is discovered, then it is implemented, and then, is standardised, replicated, or diffused as widely as appropriate.

[xv] See also Juran (1974, 1988, 1989); Ishikawa (1985) Deming (1986). Note: Cited in Hackman and Wageman (1995:311)

[xvi] very similar to Hackman and Wageman's (1995) definition, particularly if one considers the close relationship between capability, process control, and meeting customer requirements (see also Deming, 1986).

[xvii] This is an abbreviation for the European Foundation for Quality Management.

[xviii] The E.F.Q.M./B.Q.F. scoring guidelines suggest that a best practice approach is one which is planned, systematic, reviewed for effectiveness, and improved on a regular basis. That is, in order to be awarded maximum points the organisation must demonstrate its approach in a particular examination area could be described in those terms.

[xix] The same basic methodology and model were used for both samples. The first survey examined practice and performance in the U.K. The second study extended the work to a selection of Western European Companies. Variations of the model have subsequently been tested with smaller firms, and service organisation (in the U.K. and U.S.)

[xx] "Practices refer to the established processes which a company has put in place to improve the way it runs its manufacturing business. They range from organisational aspects such as teamwork and empowerment to the use of techniques such as lean production." (IBM/London, 1993:6).

[xxi] It should be noted that the sample is intentionally biased towards manufacturing firms. It was also biased towards the experience of larger firms who may have developed resources which are complementary to, and therefore enhance the impact of, the practices identified in the study. The sample group for The Made in Britain Report (IBM/LBS, 1993) was composed of less than 9% of organisations with less than 50 employees. 62% of the organisations had 200+ employees while 29%

had between 50 and 200. See for example Powell (1995) for a further discussion of the impact of a large firm bias.

[xxii] related to the discussion above, Rumelt (1984) and Powell (1995) found that industry and firm size factors accounted for nearly 20% of the variation in firm performance. Rumelt (1991:167) concluded that the most important sources of economic rents are business specific and that 80% of business-unit variance is unrelated to industry or share effects. While industry effects matter, they are not the only thing that matter.

[xxiii] See Powell (1995) and Hackman and Wageman (1995) for a critique of this approach in the T.Q.M.. and related literature.

[xxiv] Above and beyond those not explained by industry or other non-firm specific factors.

[xxv] That which has accumulated since the writings of Deming, Juran, and Ishikawa. They are not referring to these three authors who Hackman and Wageman note are more circumspect in their claims about the impact of T.Q.M...

[xxvi] Given their concerns about the confidentiality of applicants, access remains a real obstacle.

[xxvii] The companies were members of the American Productivity and Quality Centre's (A.P.Q.C.), a for-profit organisation involved in quality improvement and benchmarking activities in the United States and Europe. They operate the International Benchmarking Clearinghouse, which includes a data base of best practice for key business processes.

[xxviii] Defined as the ability to generate and generalise ideas with impact (Jick et al, 1993:53)

[xxix] The C.C.I.(1993), for example, suggest that 95% of benchmarking efforts end without discovering best practice.

[xxx] Szulanski (1996:27) suggests that internal transfer may be less problematic, i.e. faster and initially less complicated, than external transfers because they are hindered less by confidentiality and legal obstacles.

[xxxi]Other departments, functions, processes, locations, customer, suppliers, kieretsu members, etc.

[xxxii]based on Roger's (1983) definition.

[xxxiii]For example, see Camp (1989, 1995)- formerly of Xerox, Watson (1992, 1993, 1994, 1994a)- formerly of Xerox, Boxwell (1994)- Churchill & Company (consultancy), Codling (1992)- Oak Business Developers (consultancy), Spendolini (1992)- formerly of Xerox, A.P.Q.C. (1993) (A U.S.-based, not for profit research and consultancy centre), and Zairi and Leonard (1994)- Bradford University and Xerox, respectively.

[xxxiv]Watson is quoting the International Benchmarking Clearinghouse's 1992 definition of benchmarking- A.P.Q.C. (1993).

[xxxv]of products, services, processes

[xxxvi]The survey does not indicate what percentage of the sample fell into each category. It should also be noted the sample population was from *The Times* 1000 companies, i.e. larger organisations.

[xxxvii]The National Institute of Standards and Technology (NIST) is a U.S. government sponsored body responsible for managing the Malcolm Baldrige National Quality Award.

[xxxviii]Whether a process is categorised as functional or generic, can probably best be determined based on complexity, relative importance to the business, and the number of functional lines it crosses. The exact boundaries are a matter of semantics and don't appear terribly important to understanding benchmarking.

[xxxix]Often the measures of performance for the organisation's critical success factors (see Camp, 1995:16 for example)

[xl]Some confusion exists over the difference between best-in-industry and best-in-class. Camp (1989) adds to the confusion by using best-in-industry and best-in-class almost interchangeably. Best-in-class would seem to indicate the best performer of a particular functional or generic process (C.C.I. 1993). Best-in-industry would imply the best performer of a particular functional or generic process in any given industry.

[xli]this is not intended as an exhaustive list of practitioner literature benchmarking types, only a representative sample.

[xlii]Boxwell classifies internal benchmarking as a form of collaborative benchmarking.

[xliii]Perhaps the mark of a more experienced benchmarker is the ability to distinguish homophilious elements of functional and generic process leaders. That is, they have developed the ability to distinguish similarities and thus are willing to attempt adoption/adaptation, whereas a less experienced benchmarking would likely miss the opportunity.

[xliv]The A.P.Q.C. (1993:138) defines critical success factors as: "Those characteristics, conditions, or variables that have a direct influence on your customers' satisfaction, and therefore on your own success." The organisation as a whole will have a limited number of critical success factors which it must fulfil in order to be successful. The key business processes of the organisation are the mechanisms by which the organisation fulfils these critical success factors. Likewise, using the internal customer supplier metaphor, these business processes each have a set of critical success factors which must be met. (See also Oakland, 1993.)

[xlv]In Szulanski's model (1993a:47) informational processes also build awareness of the un-met needs of other sub-units which may encourage efforts by the source, or a third party to attempt to replicate their existing knowledge.

[xlvi]Some activities may play a dual role. That is, they can be classified as contributing to both project management and a specific stage in the transfer process. For example the step: *'set goals to reduce, meet, and then exceed the performance gap'* not only refers to a project management activity, but also contributes to the exchange stage of the transfer process because it may represent part of a recipient's preparation for absorbing the new practice.

[xlvii]See for example Dowst, 1984; Bracken, 1992; Cecil and Ferraro, 1992; DTI, 1992; Ruch and Roper, 1992; Williams, 1992; Bendell et al., 1993; Coleman, 1993; Hequet, 1993; Krause and Liu, 1993; Watson, 1992, 1993; Zairi and Leonard, 1994; Camp, 1995).

[xlviii] Updated in 1991 to include more explicit requirements to benchmark.

[xlix]Source: Bibliography of Camp (1995) which lists well over 125 articles since 1989 (most are U.S.-based). Combined with articles collected by this author, the total goes to well over 200.

[l] See Simon (1955, 1979) or Williamson (1975, 1991) for a discussion of the relationship between bounded rationality and complexity. In particular, Williamson's development of the market failures framework to explain transactions costs and their role in determining whether a market or hierarchy arrangement is preferred, depends, in part, on the interaction between bounded rationality and complexity. In his view, if the world was not complex, the problem of bounded rationality would be irrelevant. At the same time, complexity would not create a problem if individuals (and consequently the organisations they manage) were capable of accounting for all possible outcomes and the probability of their occurrence.

[li] Andersen and Camp (1995) cite Camp (1995) as the source for this statement.

[lii]See Powell (1995); Hackman and Wageman (1995) or Gill and Whittle (1992) for parallels to T.Q.M.. literature.

[liii]quoted in Ettore (1993:12-13).

[liv]The sample was conducted by telephone with 100 directors of Times Top 1000 companies (Coopers and Lybrand, 1994:7).

[lv]The survey was conducted in October of 1991. It has not been updated. Calls to I.F.S. and the Benchmarking Centre in the U.K., the A.P.Q.C., Strategic Planning Council, The A.S.Q.C., and the Benchmarking Exchange in the U.S. revealed no other surveys into benchmarking practices have been conducted. Ernst and Young's Best Practices Report (1992) addresses benchmarking but it is not the study's primary focus. It is the unconfirmed source of the 95% benchmarking figure mentioned in the Coopers report.

[lvi]Use of benchmarking was in the upper third (ranked No. 7 out of twenty five) of the management tools considered by the survey.

[lvii]Benchmarking consisted of three questions: 1)An active competitive benchmarking programme; 2)researching best practices of other organisations; 3)Visiting other organisations to investigate best practices first hand. Respondents were asked to indicate their implementation of these three elements on a 0 to 5 scale (5 = highly advanced in implementation; 1=have not begun implementing; 0 = do not intend to implement) The three elements of benchmarking were given equal weight. A score of 2.55 would seem to indicate most organisations in the sample had just got underway in terms of benchmarking implementation.

[lviii]A response rate of 5%, representing 500 companies, was achieved by the Bain & Company survey (Rigby, 1994:7). 380 organisations world-wide were sampled by Jick et al (1993).

[lix]According to Powell (1995:32), T.Q.M... firms may be more likely to respond to a survey about T.Q.M.., than firms which have not adopted T.Q.M...

[lx]No attempt is made to assess the extent of adoption by the 93% or 74.5% of the population. However, in Powell's survey, organisations were asked to rate (on a six point scale) how advanced

they were in terms of implementing their quality programme relative to other organisations with which they were familiar. With 5 representing far more advanced, and 0 representing no significant involvement, the average score was 2.39 or between the somewhat less advanced and about equally advanced categories (s.d. = 1.75, N = 54) T.Q.M.. firms average adoption of the 12 identified elements of T.Q.M.. averaged 3.085 (about equally advanced). Again a 6 point scale was used

[lxi]The original sample was split 58% T.Q.M.. adoption 42% T.Q.M.. adoption. This represented 21 T.Q.M.. and 15 non-T.Q.M.. In the third phase of the study 18 T.Q.M.. firms were added to the sample. Thus, the data presented reflected a sample consisting of total of 39 T.Q.M.. firms and 15 non T.Q.M.. firms, or 72% T.Q.M.. vs. 28% non-T.Q.M..

[lxii]The author wishes to thank Mr. William Archer from Coopers and Lybrand, London office for providing a draft of the benchmarking maturity index, as well as for his helpful insights on the current state of affairs in benchmarking.

[lxiii]Also confirmed in personal communications.

[lxiv]Personal correspondence. See also the introduction to Coopers and Lybrand (1994)

[lxv] Initial work was done by Dale et al (1994a:117-127). Categories have been modified slightly, but idea is the same.

[lxvi] Personal correspondence with members of the Bristol Quality Centre and TQMI, two leading consultancies in the area of the Business Excellence Model, indicate that the average organisation would score approximately 300 out of a possible 1000 points.

[lxvii]1992 data. See The U.K. Quality Award: Guide to Self Assessment published by the British Quality Foundation (1995).

[lxviii]the calculation assumes that the actual score is the average of the high and low score within the range of scores. For example, if 25% of the applicants scored between 51% and 60% for a given criteria, I have assumed that 25% of the applicants scored 55.5% on that criteria ([51+60]/2=55.5)

[lxix] This researcher has conducted 6 quality award assessments- 2 European, 2 British, 2 Midlands Quality awards.

[lxx] As does the organisational learning literature (see for example Lant and Mezias (1990) or Levitt and March, 1988)

[lxxi] There is a clear relationship between the level of complexity, the effort required and the value of the output. Much of the discussion which follows is based on the researcher's experience of the Model. He is an experienced assessor having been involved in five quality award processes which use the Model.

[lxxii] one group member dropped out because he left the organisation he represented. The organisation did not replace him, but did allow other members of the common interest group to benchmark against them.

[lxxiii] It is useful to note that the researcher did not play any administrative role in the group. Likewise, he did not volunteer to search databases for best-in-class companies. Both activities were left to the common interest group members.

[lxxiv] quoted in Abraham (1997:68)

[lxxv] cited in Abraham (1997:72)

[lxxvi] quoted in Abraham (1997:62-63)

[lxxvii] the idea for this comparison comes from Abraham (1997:65)

[lxxviii] cited in Marshall and Rossman (1995:142-149)

[lxxix] cited in Abraham (1997:16)

[lxxx] cited in Perry and Zuber-Skerrit (1992:198)

[lxxxi] Perry and Zuber-Skerrit are citing research by Porter and McKibbon (1988) as the source for this conclusion.

[lxxxii] cited in Abraham (1997:79)

[lxxxiii] The researcher is not suggesting that case studies are always an example of a qualitative research methodology. See Yin (1994:14-15 and 193:57) for a further discussion.

[lxxxiv]The only exception was an organisation which had not been involved in the Best Practice Club or the Benchmarking Network prior to the Exchange Meeting. They were never seen again at Network or Best Practice Club events after their fleeting appearance at the Exchange Meeting. No relationship had been established, therefore it was not possible to interview a representative from the organisation.

[lxxxv] It was intended to fully transcribe all the tapes, but resources were not available to pay for this task. In the end, six interviews were fully transcribed by a professional typist. The rest were done by

the researcher. There is little evidence that the full transcriptions added significant value relative to the partial transcriptions done by this researcher.

[lxxxvi] Totals do not include David Williams who ran a local quality networking initiative. He provided valuable insights into key determinants and the role of the network broker/facilitator.

[lxxxvii] i.e. at least one representative from this organisation, usually the main contact person.

[lxxxviii] Quoted in Marshall and Rossman (1995:112)

[lxxxix] Quoted in Abraham (1997:110)

[xc] Decision taken by the steering group who felt it was inappropriate to ask organisations what they were good at, This turned out to be nice to know, but useless information that did nothing to encourage benchmarking partnerships with in the Network.

[xci] The list actually went around several times before a sufficient number of responses were obtained. Even simplifying the process did not fully overcome the difficulties associated with deciding what to benchmark.

[xcii] Personal conversation with the organiser of the Cranfield Logistics Network.

[xciii] Personal conversation with Tom Dark, formerly with BT, who was the leader of the group.

[xciv] 21 organisations which attended organisational meetings plus 6 organisations which joined prior to the exchange meeting equal 27 participants in total.

[xcv] Dickson was the General Manager of Verity Manufacturing. He was interviewed by Stevens as part of the common interest group benchmarking exercise.

[xcvi] Only the support services division of Northern Hospital participated in this project. The clinical side, i.e. doctors, nurses, etc. did not.

[xcvii] No different than using a structured problem solving process to ensure that you solve the right problem with the right solution.

[xcviii] John Manson, Western Engineering, Personal Interview

[xcix] John Stevens, Western Engineering, Personal Interview

[c] Man-hours are a reasonable proxy for time and effort. They are the primary 'cost' of benchmarking (number of hours multiplied by employment costs), though it should be noted that travel/visit and training costs associated with benchmarking can also be substantial (see also APQC, 1993).

[ci] At least one organisation spent significantly more time than this during the CIG phase, because an internal team (4 individuals plus the CIG representative)worked in parallel with the common interest group team.

[cii]Assumed an hourly overhead rate of $50. The A.P.Q.C. cost model went beyond the 'direct' identifiable costs and assumed a quid pro quo system operated. That is, in order to benchmark, an organisation had to agree to be benchmarked. Thus, the model included the time and related cost of handling benchmarking inquiries, completing questionnaires, explaining benchmarking to novices, and hosting site visits. In addition, the cost of training benchmarking teams was considered. In all the A.P.Q.C., (1993) estimated it cost approximately $70,000 (£45,000) to carry out a benchmarking study. Given the discussion of the relationship between the benchmarking process and the transfer process, this cost likely represents only the beginning. $70,000 probably only reflects the cost of becoming aware of the best practices, and doesn't capture much of the expenses associated with exchange, adaptation, or institutionalisation. The cost of these stages of the transfer process are left unexplored. Garvin (1993:86) estimated the cost of benchmarking to be $20,000 with personnel costs excluded. With personnel costs included, the estimate rose to $60,000-80,000.

[ciii] 3 people x 1/3 of time x 5 days x 4.3 weeks x 9 months = 193 man days. 3 x 1/3 x 5 x 4.3 x 12= 258

[civ]Competitive studies were estimated to take slightly longer.

[cv] 6-10 people, 25% of their time for 6 months- 8 (avg.) x 25% x 5 x 4.3x 6 = 258.

[cvi] A rough estimate of the time commitment of the most 'dedicated' participating organisation, i.e. Keller is approximately 65 man days. (4 people spending 1 day each preparing for the CIG meeting (x10) plus one person spending 2 days preparing for each CIG plus 1 person attending 10 CIG meetings for ½ day. Campbell at Northern Hospital probably spent more time than any other single individual, however he spread it between two common interest groups. Therefore, its effect was significantly dissipated.

[cvii] John Stevens, Western Engineering, Personal Interview

[cviii] the researcher has had the opportunity to watch Gemini Consulting in action. They place a significant emphasis on mobilisation of the workforce and management for change, and on effective two-way communication.
[cix] Measuring customer satisfaction group only, the managing change group only benchmarked within the group.
[cx] based on the researchers and participants' perception of relative input to (and relative output from) the common interest group.
[cxi] the link between effort and cost effectiveness is not discussed for obvious reasons- primary cost is effort. More effort, more cost, and vice versa.
[cxii] Jim Lawrence, Xerxus.
[cxiii] assumes 2-3 persons per organisation attending one 2-3 hour session per month. This is probably a generous estimate.
[cxiv] Recall Cole's (1994) model of quality management processes presented earlier- design, produce, deliver, continuously improve these three processes.
[cxv] Jim Lawrence, Xerxus.
[cxvi] Harrison Kennedy, Western Engineering- personal interview
[cxvii] The general shape of the benefits curve for the benchmarking process should not be radically different.
[cxviii] Harrison Kennedy, Western Engineering, Personal Interview

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INDEX OF APPENDICES AND SUPPORTING DOCUMENTATION

No.	Name	Description
1.	*Original Project Proposal*	Copy of original funding proposal for the Group Benchmarking Project.
2.	*Initial Project Brief*	Booklet describing in detail the proposed key steps in the GBM process. Completed after the initial project orientation meetings.
3.	*Orientation Meetings*	OHPs & agenda from initial project orientation meetings.
4.	*Protocol Meeting*	OHPs & agenda from protocol meeting
5.	*Code of Conduct*	Code of Conduct for Network members agreed at Protocol Meeting. Code is based on IBC Model modified for benchmarking network use.
6.	*Organisational Structures*	Formal organisational structure for the Network, including the steering group, the vetting/approval of new members, and role of contact person(s).
7.	*Recruitment Brochures & Application Packet*	Promotional materials used to recruit new members once the project was underway. These materials were developed as it became clear that initial interest was not being translated into concrete action.
8.	*Network Directory*	Proforma for the Directory entry. For confidentiality reasons, no data is included. The Directory included a brief description of each participating organisation, including its customers, suppliers, competitors, etc. and the designated contact person. This booklet was issued to all Network Members.
9.	*Project Selection Worksheets*	Worksheets designed to encourage participants to use a structured process to select potential business process benchmarking projects. Participants were asked to work from their mission to critical success factors, and from there to a list of key business process and sub processes. From the list of processes and sub processes they were asked to create a prioritised list of potential benchmarking projects.
10.	*Revised Project Selection Worksheets*	Revised forms to record potential benchmarking projects in preparation for the exchange meeting. These forms did not provide a systematic approach to project selection but were much easier for participants to complete. The sheet also asked participants to identify areas they were good at so that other Network members and CIGs might use them to benchmark against.
11.	*Exchange Matrix*	Matrix prepared by the researcher in preparation for the Exchange Meeting. Used to organise the benchmarking projects submitted by members into categories based on the business process taxonomy of the APQC/IBC and Xerox Corporation. The matrix made it easy to identify the potential common interest groups prior to the Exchange Meeting
12.	*Steering Group Meeting Minutes*	The agenda and meeting minutes for the steering group meetings which shaped the development of the project, and which were used to feedback preliminary findings.

13.	*CIG Meeting Minutes & Related Materials*	Meeting minutes for the two 'active' CIGs where available/produced. Copies of questionnaires and reports.
14.	*Interview Script*	List of questions/aide memoir for first interviews with participants. The script served as a guide but was not stuck to religiously. Interviewee was able to dictate pace and direction of interview, though majority of items was covered during the course of the discussion. No script was used during the second session. The discussion focused around what was the impact of the process, what factors influenced this impact, what did you learn, what would you do differently next time, etc.
15.	*Revised Project Selection Process & Survey*	Forms used during second iteration of the group benchmarking process to help define benchmarking projects and create common interest groups.
16.	*EUROMA Conference Paper*	Copy of article, co-authored by the researcher which was presented at the 1999 European Operations Management Association Conference in Venice by a member of the supervisory team (Alex Appleby).
17.	*Profile of Participating Organisations and Participants*	Provides a brief profile of participants (organisations and their representatives) focusing on their quality management development and benchmarking experience. Should be read in conjunction with Chapters 8 and 9 to provide additional context. Included in Appendices because of space limitations.

Appendix 1: Original Project Proposal

GROUP BENCHMARKING: APPROACHES, ISSUES, OUTCOMES & PERFORMANCE

BACKGROUND:

The eighties saw a tremendous growth in different philosophies and approaches (1-3) used by Western companies in an attempt to replicate the success of Japanese manufacturing industry. These included the approaches of Just-In-Time, Total Quality Management (including many variations of titles), Lean Production (4), Time-Based Competition (5) and Supply Chain Management (6). The phrase "World Class Manufacturing" (WCM) was coined and the ultimate goal of most successful businesses was (and still is) to achieve that World Class status.

This in turn has led to the development of non-financial performance measures (7-9) (Eg. customer service and resource productivity measures) which are used by those WCM companies to quantify the extent of their superiority.

Benchmarking as a technique for comparing a company's performance against that achieved by the "best" has therefore become a very attractive means for encouraging and motivating change and for accomplishing greater success (10-13).

We in the North East are fortunate to have on our door step many organisations which aspire to become or have been attempting for some years now to become world class performers in their business. Many of these firms are members of our Best Practice Club and are willing to exchange information, compare practice and share experiences with each other.

AIMS:

Normally, benchmarking is an exercise done by a single organisation attempting to compare its performance with the "best in its class" and subsequently striving to reach and even exceed that goal via continuous improvement. The methodology of doing so is well documented (10,11) and has emerged from the work of several leading quality-conscious practitioners such as IBM, Boeing, Digital Equipment, Motorola, Xerox, NCR and Corning.

This piece of research is attempting to apply the technique of benchmarking not to a single organisation but, collectively to a group of quality-driven organisations drawn from several sectors of industry, including manufacturing, public services, privatised utilities and the health service, all striving for the common goal of World Class Performance (WCP).

Our hypothesis is that the existence of such a quality-obsessive support group will generate a powerful and mutually re-inforcing environment which will encourage individual member organisations within it to continuously improve and raise their performance. Using groups and group-work as a means for achieving high levels of performance have been clearly demonstrated in the past, but within single organisations only (14-19). This research is going to use that

e) Begin the benchmarking study, collect information, analyse study results, design and implement improved process for each of the activities selected.

f) Monitor progress and advise on how to achieve continuous improvement in the benchmarked activities and their outcomes.

g) Reflect on the operation of the group benchmarking process and its outcomes.

h) Develop, build, test and refine conceptual model(s) which reflect the collective benchmarking process.

Stages a) to f) reflect mainly the M.Phil part of the study and building upon that work are the stages g) and h) which form the PH.D element of the work.

TIMETABLE AND PROGRAMME OF WORK

(See chart on the following page.)

RESEARCH OUTPUTS

1. Presentation and publication of at least 2 papers at refereed national/international conferences on the subject of World Class Performance (WCP) and related implementation issues.

2. A book on WCP: Approaches, Issues & Problems, Outcomes and Performance, including Case Studies.

3. Further external funding from SERC - ACME or TCS - of atleast £120K for further research into implementation approaches and models.

4. DTI funding for Technology Transfer: Developing Learning material and running training programmes in WCM implementation approaches, tools and techniques for manufacturing companies including SME's in the region. (At least £20K).

5. Work would involve close links with external agencies such as the DTI in the region, the Northern Development Council as well as several organisations from our Best Practice Club (Ie. Nissan, Royal Mail, Rolls Royce, Newcastle General Hospital) to regenerate and improve the effectiveness/productivity of the manufacturing and service supplier base especially in the North East.

6. Develop specific electives/units for study at postgraduate and final year Honours level on our University's MBA, MA(TQM), undergraduate Business Studies and Manufacturing Systems Engineering degree programmes.

APPLICATION FOR UNIVERSITY RESEARCH FUNDS 1993

1 PRINCIPAL INVESTIGATOR(S):

surname:	first name:	Dept(s):	signatures:
DR PRABHU	VAS	NBS-MOM DIV.,	
MR APPLEBY	ALEX	" " "	
MR YARROW	DAVE	" " "	

2 INTERNAL COLLABORATOR(S):

surname:	first name:	Dept(s):	signatures:

3 * EXTERNAL COLLABORATOR(S):

surname:	institution:
QUINN B	ROYAL MAIL
DOBBS P	ROLLS ROYCE IND. POWER GROUP
BERKOVITS F	NISSAN MOTOR MANU. (UK) LTD
COLLINS P R	LEISURE NEWCASTLE

4 TITLE OF RESEARCH PROJECT:

5 SUMMARY OF RESEARCH PROJECT AIMS:

1. To apply the technique of benchmarking collectively to a group of quality-driven organisations drawn from several industrial sectors.
2. To see the extent to which mutual support groups can influence the process of benchmarking and continuous improvement in performance.

(To be elaborated in 4-page Case for Support)

* Providing access to company information and participating in the research (Group) project.

Annual costs (for Financial Year August 1 - July 31			
	1993/94	1994/95	1995/96
10 EQUIPMENT: (including computer)			
SUB-TOTAL:	- -	- -	- -
11 TRAVEL/SUBSISTENCE: (weekly (almost) to Case (5 say) companies, mostly based locally)			
average return mileage (20 miles)	£450-	£700	£400
Travel to Conferences/presentations and papers	£150	£150	
SUB-TOTAL:	600	850	400
12 OTHER: (Please specify)			
Advertising	£1000-		
Attendance at Conferences	£300	£400	
SUB-TOTAL:	£1300	£400	- -
13 TOTAL ANNUAL COSTS:	£17,722	£17,287	£16,860
14 TOTAL SUM REQUIRED FOR WHOLE PERIOD:	£51,869		

15 Has application been made for external funding for part or the whole of this project ?

YES NO

If YES, give details, amount & period of funding.
(Where possible, append evidence of future external funding.)

19 STATEMENT OF SUPPORT FROM HOD IN MAIN DEPARTMENT:

Place of project within Dept. research policy & course profile

The NBS are committed to extending its Research activity by involving more staff in activity likely to produce recognised research outputs. This proposal will significantly enhance the direct involvement of 2 relatively unexperienced staff (in research terms) whilst simultaneously underpinning the major academic development in this area in recent years (namely the MA in TQM).

Summary of Dept resources to be allocated to the project:

The RA will be accommodated with the NBS's Centre for Business Research and appropriate IT facilities will be provided to facilitate him/her to complete the programme of research.

Undertaking by HOD to accept the implications of the project, if funded (e.g. with regard to space, staff time etc)

I am highly supportive of this proposal which is wholly consistent with recent, and planned future, developments within the MOM Division - not least to underpin the recently approved PGDip/MA in TQM and the Divisions activities with respect to the NBS's 'Best Practise Club'. The 3 PIs are all active in consultancy and/or research and I am confident of their ability to deliver on this programme.

Signature: G.HENDERSON

20 STATEMENT OF SUPPORT FROM HOD IN COLLABORATING DEPT: (where there is a collaborating Dept) Not applicable

Place of project within Dept. research policy & course profile

Summary of Dept resources to be allocated to the project:

Undertaking by HOD to accept the implications of the project, if funded (e.g. with regard to space, staff time etc)

Signature:

RETURN TO RESEARCH SECTION BY 26 FEBRUARY 1993 Ruth Oct/FORMB

Appendix 2: Initial Project Brief

BENCHMARKING NETWORK

A regional network of quality-driven organisations dedicated to the discovery, exchange, and implementation of best practices which lead to superior performance.

UNIVERSITY of NORTHUMBRIA at NEWCASTLE

Training and Support

Several training courses are currently available to assist participants in getting the benchmarking process underway in their organisation. Each can be tailored to suit individual needs. Additional courses and consulting services in benchmarking or related areas can be arranged through the Business School's Centre for Enterprise and Management Development (C.E.M.D.). The Centre is headed by Mr. Jan Urbanowicz, and is staffed full-time by a team of professional consultants with a wealth of experience in organisational improvement.

Course One: Introduction to the E.F.Q.M. Model for Total Quality Management and the Self Assessment Process

Course Two: Selecting Benchmarking Projects

Course Three: Basic Training for Benchmarking Teams

Training sessions generally last between a half and a full day and can be conducted at your facilities or hosted by the Business School at its Longhirst campus just outside Morpeth. Costs vary depending on the type of course, number of participants, and the venue. However, all are priced economically to encourage maximum participation amongst new and existing members.

Benefits

Involvement in the Benchmarking Network offers several important benefits to your organisation. First, the exchange process leading to the creation of common interest groups encourages the formation of true benchmarking partnerships. This allows participants to get behind performance measures and begin to understand the enablers, or root causes, of superior performance. Second, the Network contains a wide spectrum of blue-chip, quality-driven organisations from across the manufacturing and service sectors, which helps ensure easier and more economical access to potential benchmarking partners. At the same time, the Network is small enough to enable participants to maintain personal contacts. Third, basic training sessions are available to support your benchmarking efforts. These are delivered with an emphasis on practicality and economy, and can be tailored to meet individual needs. Fourth, benchmarking contacts are carried out in a systematic manner, according to agreed protocols. Concerns of being overwhelmed with requests for information, or fears of confidentiality being compromised, are greatly reduced. Finally, because of the research aspect of the project, and the fact the results will be published, the opportunity exists for Network members to learn from an analysis of initial successes and failures. It also gives a chance to enhance your reputation as a progressive, quality-focused, organisation. In the process, the reputation of the North East and the Newcastle Business School as a centre for the promotion of world class business performance should also be enhanced.

Best Practice Club

The School also operates a Best Practice Club which meets about 8 times per year. Meetings are usually hosted by a Club member at their facility. Recent meetings have focused on such themes as "Implementing Cellular Manufacturing"(Parsons), "J.I.T." (Searle), "Healthcare on Tyneside"(City Health Trust), T.Q.M. Re-Visited (Formica), Systems Engineering/Business Process Redesign (Reyrolle). Usually, each organisation can send up to 4 persons to each meeting. Numbers depend upon the size of the host's facilities.

The Best Practice Club forum entails a lower level of commitment than the Benchmarking Network. Your only obligation is to host a meeting when your turn comes up. Otherwise, you simply come along to the regular meetings, enjoy the presentation, ask questions, network informally, and enjoy the buffet. The option always exists to take your commitment further by participating in the Benchmarking Network, however, you are not obliged to do so. Likewise, organisations participating in the Benchmarking Network Members are automatically invited to attend Best Practice Club Meetings. To become involved in the Best Practice Club, simply contact one of the individuals listed below. No formal application procedure is required.

Cost

The cost of joining the Benchmarking Network is £195 + VAT per year which entitles your organisation to participate in all the Network activities described above. It also entitles you to participate in the Best Practice Club forum. If you choose to participate only the Best Practice Club, the cost is same. You may increase your commitment, as and when, appropriate.

Further Information

If you have any questions, or would like further information, please contact:

Mr. Thomas Friedewald	0191-227-3038, or 01670-788-584 (phone)
Research Assistant	0191-227-3682 or 01670-788-584 (fax)
Mr. David Yarrow	0191-227-4276 (phone)
Senior Lecturer	0191-227-3682 (fax)
Mr. Alex Appleby	0191-227-4276 (phone)
Senior Lecturer	0191-227-3682 (fax)

Appendix 3: Orientation Meetings

PROJECT OVERVIEW

I. MISSION

II. PARTICIPANTS

III. BUSINESS SCHOOL'S ROLES

IV. STEPS AND TIME SCALE

V. RESEARCH AIMS

VI. RESEARCH METHODOLOGY

VII. BENEFITS

MISSION

TO CREATE A PERMANENT REGIONAL NETWORK OF QUALITY-DRIVEN ORGANISATIONS FOR THE PURPOSES OF EXCHANGE, DISSEMINATION, AND IMPLEMENTATION OF BEST PRACTICE AND TO PROMOTE THE NORTHEAST AS A CENTRE FOR WORLD CLASS BUSINESS PERFORMANCE.

PARTICIPANTS

APPROXIMATELY 20 QUALITY-DRIVEN ORGANISATIONS

BUSINESS SCHOOL'S ROLES

☑ *HONEST BROKER*

☑ *SPECIALIST INPUT*

☑ *RESEARCHER AND REPORTER*

BENCHMARKING PROJECT STEPS

	STEP	TIMING
1.	**INITIAL ORGANISATIONAL MEETING**	**13 JUNE THRU 21 JUNE**
2.	**PROTOCOL MEETING**	**4 JULY: 9 - 12**
3.	**INITIAL BENCHMARKING SURVEY**	**11 JULY THRU 25 JULY**
4.	**SELF ASSESSMENT SEMINAR**	**29 AUG. THRU 9 SEPT.** CHOICE OF 5 SESSIONS
5.	**INFORMATION EXCHANGE (SELF ASSESSMENT)**	**ON-GOING FROM 12 SEPT.**
6.	**PROJECT SELECTION SEMINAR**	**3 OCT. THRU 14 OCT.** CHOICE OF 5 SESSIONS
7.	**INFORMATION EXCHANGE (PROJECT SELECTION)**	**ON-GOING FROM 17 OCT.**
8.	**BASIC BENCHMARKING TRAINING SEMINAR**	**31 OCT. THRU 11 NOV.** CHOICE OF 8 SESSIONS
9.	**ON-GOING OBSERVATION, FOLLOW-UP & EXCHANGE**	**FOR NEXT 14 TO 18 MONTHS**

RESEARCH AIMS

☑ ***DETERMINE IMPACT OF NETWORK ON INDIVIDUAL MEMBERS' BENCHMARKING EFFORTS.***

☑ ***MEASURE THE IMPACT OF BENCHMARKING ACTIVITIES ON AN ORGANISATION'S PERFORMANCE.***

☑ ***DESCRIBE ACTIVITIES AND STRUCTURE OF THE NETWORK***

☑ ***ASSESS THE FACTORS WHICH IMPACT NETWORK'S PERFORMANCE.***

☑ ***EVALUATE THE ROLE OF BENCHMARKING AND QUALITY IMPROVEMENT NETWORKS IN REGIONAL DEVELOPMENT EFFORTS.***

RESEARCH METHODOLOGY

☑ *CRITICAL INCIDENT DIARIES*

☑ *BENCHMARKING SURVEYS*

☑ *FINANCIAL AND NON-FINANCIAL PERFORMANCE MEASURES & PROCESS PERFORMANCE INDICATORS SURVEYS*

☑ *DIRECT OBSERVATION*

☑ *PERSONAL INTERVIEWS*

☑ *SATISFACTION SURVEYS*

BENEFITS

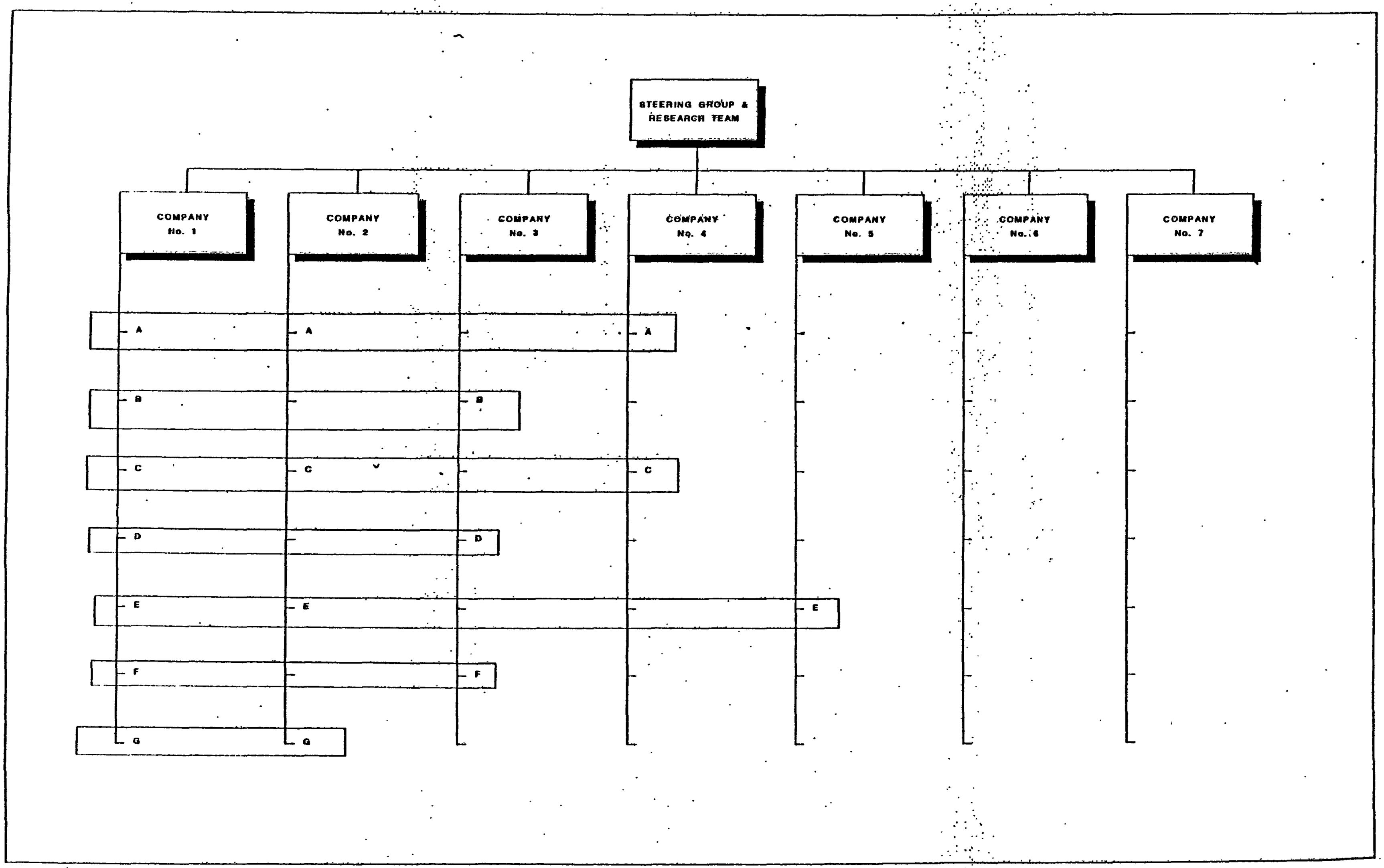
☑ *CREATES A PERMANENT REGIONAL NETWORK*

☑ *SUPPORTS BENCHMARKING EFFORTS*

☑ *ENCOURAGES GOOD PROTOCOL*

☑ *PROMOTES NORTHEAST AS CENTRE OF EXCELLENCE*

BENCHMARKING NETWORK



BENCHMARKING
OVERVIEW

I. HISTORY

II. WORKING DEFINITION

III. TYPES

IV. BENEFITS

V. THE PROCESS

VI. KEY ISSUES

HISTORY

- ☑ *REVERSE ENGINEERING*
- ☑ *SITE VISITS & INDUSTRIAL TOURISM*
- ☑ *COMPETITIVE INTELLIGENCE*
- ☑ *XEROX'S SUCCESS*
- ☑ *QUALITY AWARDS*

WORKING DEFINITION

"A CONTINUOUS, SYSTEMATIC PROCESS FOR EVALUATING THE PRODUCTS, SERVICES, AND WORK PROCESSES OF ORGANISATIONS THAT ARE RECOGNISED AS REPRESENTING BEST PRACTICES FOR THE PURPOSE OF ORGANISATIONAL IMPROVEMENT."

MICHAEL J. SPENDOLINI, ***THE BENCHMARKING BOOK***

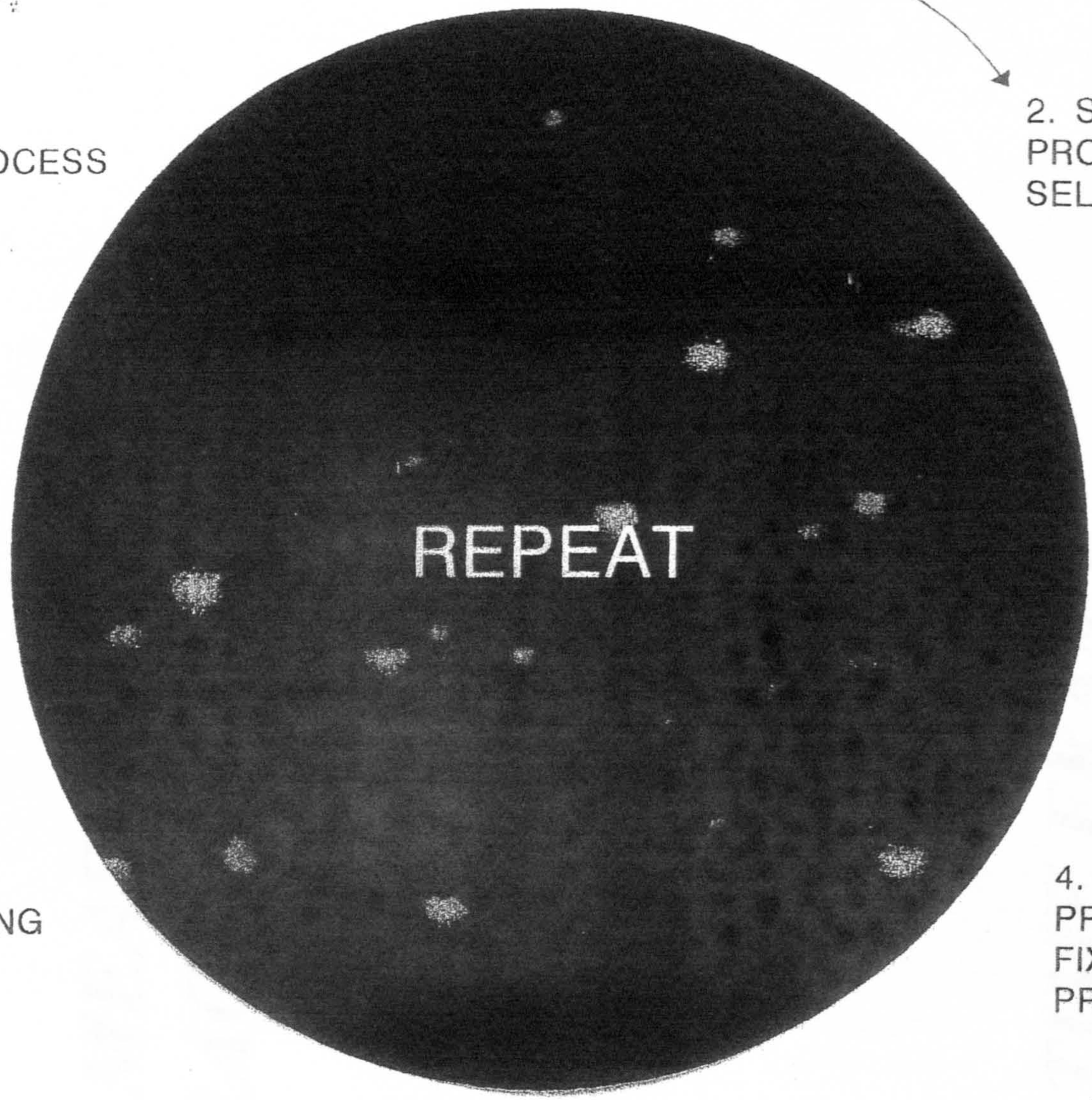
TYPES OF BENCHMARKING

☑ *FOUR BASIC TYPES*

1. *INTERNAL*
2. *COMPETITIVE*
3. *FUNCTIONAL*
4. *GENERIC*

☑ *A GROUP APPROACH*

BENCHMARKING PROCESS



KEY ISSUES

☑ *MEASUREMENT VS. PRACTICE*

☑ *LINK TO STRATEGY*

☑ *TIME FRAME*

TYPES OF BENCHMARKING

TYPES	DEFINITION	ADVANTAGES	DISADVANTAGES
COMPETITIVE	COMPARISON OF SPECIFIC PRODUCTS, SERVICES, FUNCTIONS OR PROCESS WITH MAJOR COMPETITORS	RELEVANT INFORMATION, CRITICAL TO SURVIVAL, BEING DONE TO A CERTAIN EXTENT ALREADY-COMPETITIVE INTELLIGENCE	NARROW FOCUS, NOT NECESSARILY BEST IN CLASS, ETHICAL ISSUES, OBVIOUS DIFFICULTIES AND RELUCTANCE TO SHARE MUCH INFORMATION
INTERNAL	SAME AS ABOVE BUT PARTNERS ARE OTHER MEMBERS OF ORGANISATION, I.E. OTHER DIVISIONS, BRANCHES, ETC.	LESS COSTLY, EASIER TO IMPLEMENT, GOOD STARTING POINT, PROMOTE UNIFORMITY ACROSS ORGANISATION, PROMOTE INTERNAL COMMUNICATION	INTERNALLY FOCUSED, NOT NECESSARILY BEST PRACTICE
FUNCTIONAL	COMPARISON OF SPECIFIC FUNCTIONAL ACTIVITIES WITH INDUSTRY BEST AND BEST IN WORLD/IN CLASS	BROADENS SCOPE OF POTENTIAL BENCHMARKING PARTNERS	CONFINED TO FUNCTIONAL ACTIVITIES INCREASING COST IN TERMS OF TIME AND RESOURCES
GENERIC	COMPARISON OF FUNCTION SPANNING PROCESSES AND ACTIVITIES	BROADENS SCOPE OF BENCHMARKING INITIATIVES TO KEY PROCESSES CUTTING ACROSS BUSINESS FUNCTIONS	COSTLIEST, REQUIRES GREATER EXPERTISE, DIFFICULTY IN ADAPTING PRACTICES TO MUCH DIFFERENT ENVIRONMENT

Appendix 4: Protocol Meeting

BENCHMARKING PROJECT
PROTOCOL MEETING

BRIEF OVERVIEW

PHASE I.

☑ ORGANISATIONAL AND PROTOCOL MEETINGS

PHASE II.

☑ TRAINING AS REQUIRED

☑ SELF ASSESSMENT & PROJECT SELECTION

☑ REGULAR EXCHANGE MEETINGS

PHASE III

☑ INITIAL SUB-GROUPS FORMED, PROJECTS UNDERWAY

☑ CO-OPERATION & TEAMWORK

☑ REGULAR EXCHANGE MEETINGS

PHASE IV.

☑ FEEDBACK OF INITIAL RESULTS

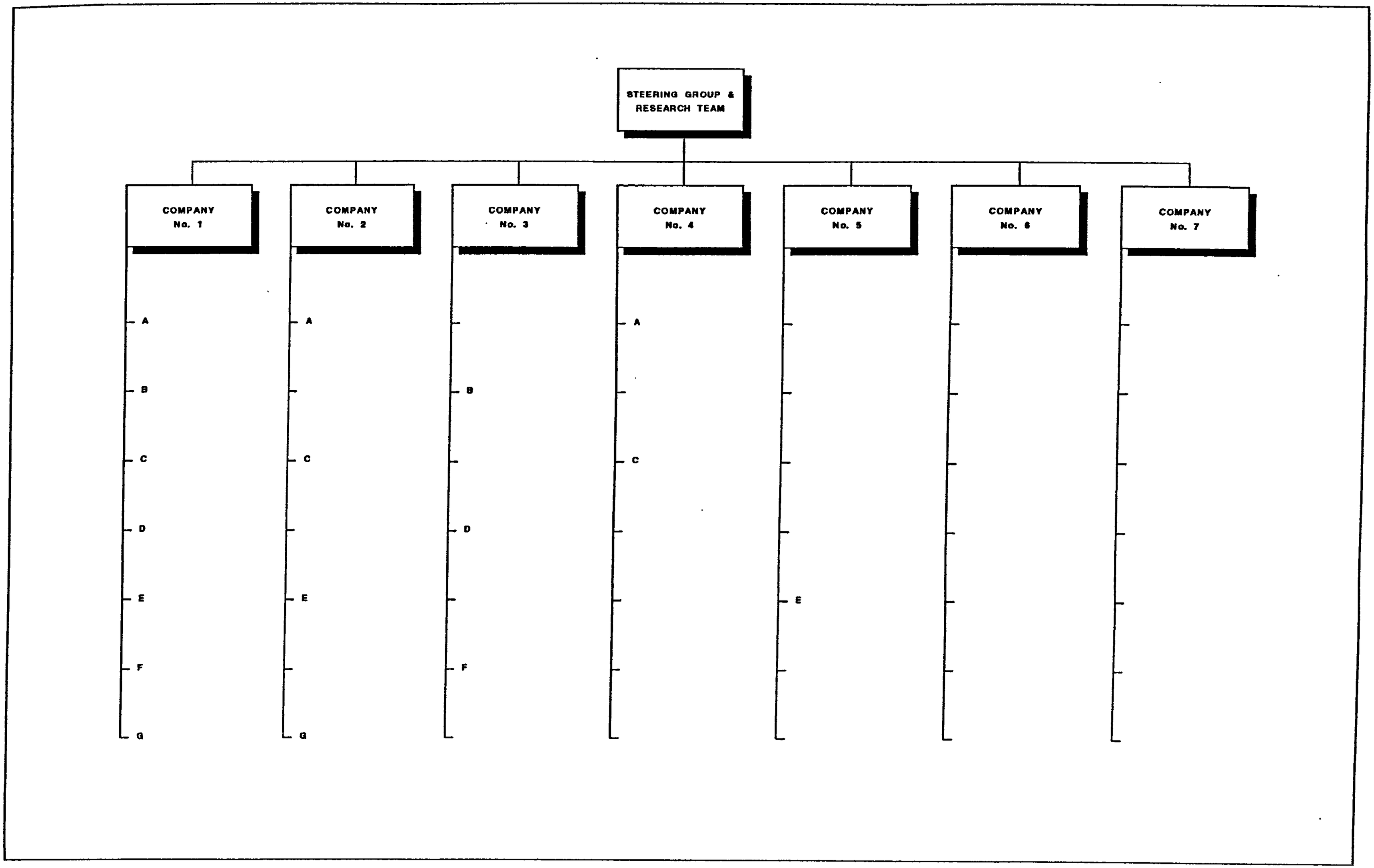
PHASE V.

☑ ADDITIONAL TRAINING AS REQUIRED

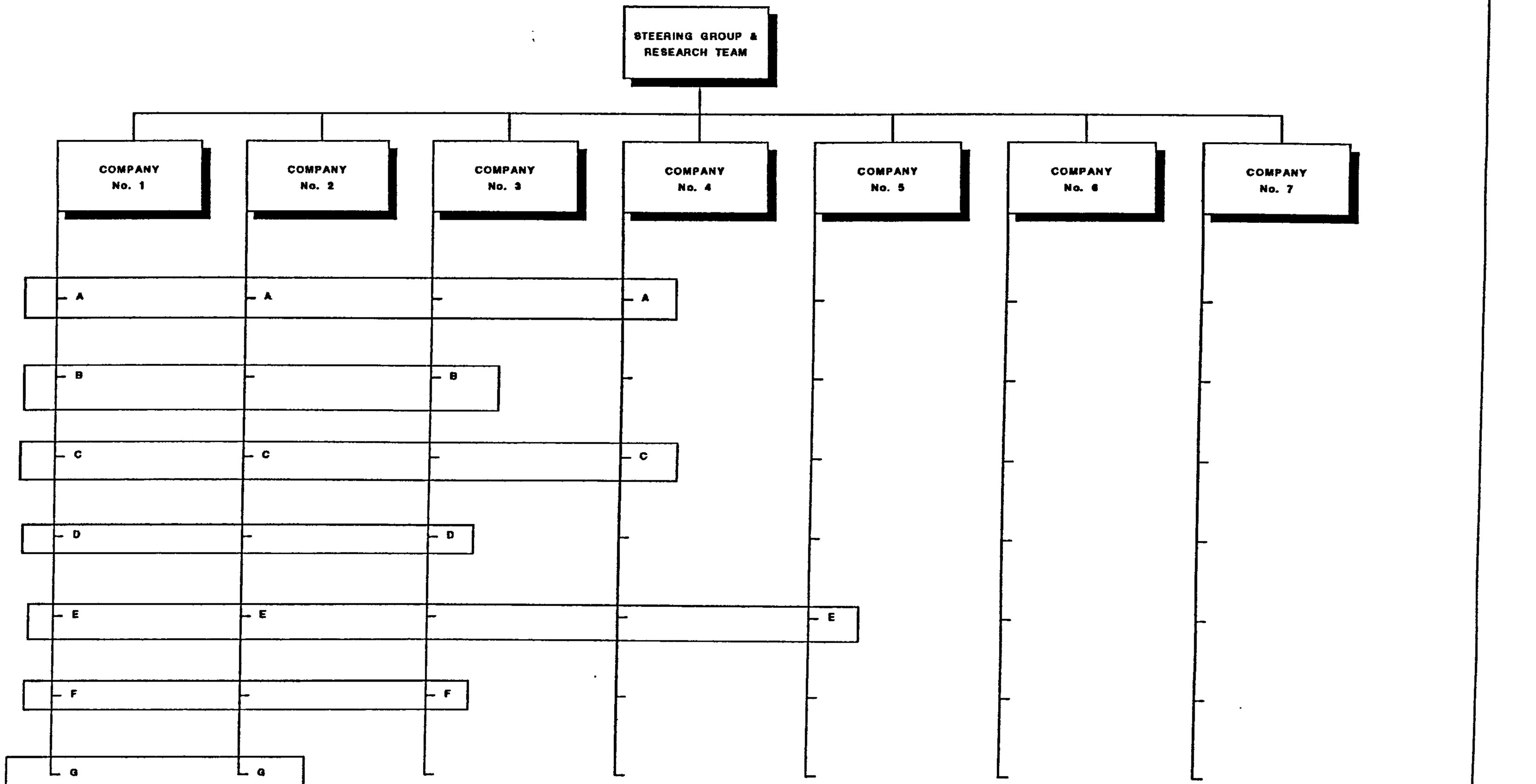
☑ NEW PARTNERSHIPS FORMED

☑ NEW GROUP MEMBERS

BENCHMARKING NETWORK



BENCHMARKING NETWORK



ISSUES

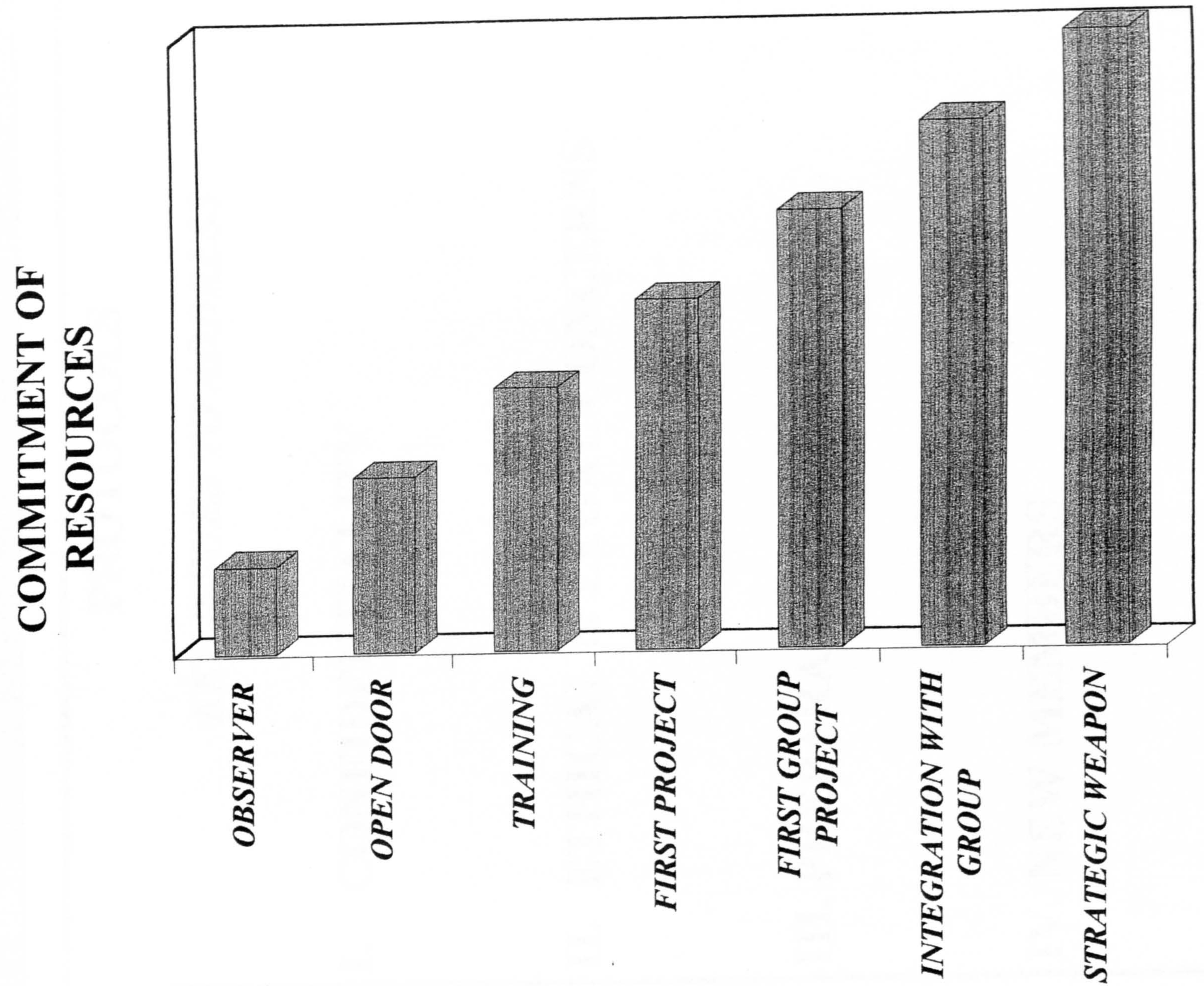
I. PACE OF PROJECT

II. RESOURCE COMMITMENTS

III. GIVE AND TAKE

IV. SELF ASSESSMENT

PROGRESSION OF COMMITMENT



BENCHMARKING PROJECT
PROTOCOL MEETING

PROTOCOLS

KEY ISSUES TO ADDRESS

I. CONFIDENTIALITY

II. ETHICAL & LEGAL CONCERNS

III. PREPARATION & PROTOCOL

IV. NEW MEMBERS

V. NETWORK ISSUES

BENCHMARKING PROJECT
PROTOCOL MEETING

STRUCTURES

KEY ISSUES TO ADDRESS

I. MEETINGS

II. STEERING GROUP

III. DIRECTORY

IV. CONTACT/RESEARCH LIAISON

Appendix 5: Code of Conduct

BENCHMARKING NETWORK

CODE OF CONDUCT

The Newcastle Business School's Benchmarking Network is a permanent regional network of quality-driven organisations which has been created to encourage the exchange, dissemination, and implementation of best practice and to promote the North East as a centre for world class business performance.

In order to facilitate this mission, the following code of conduct has been adapted from the International Benchmarking Clearinghouse & the Strategic Planning Institute's Code of Conduct. It will serve to guide the behaviours of both the benchmarking network members and the Newcastle Business School, the organisers and administrators of the network. It is designed to encourage the active exchange of best practice information amongst group members. At the same time, it seeks to maintain an appropriate level of professionalism and to respect any confidentiality concerns of participants. ***Note:*** *Changes/additions to the I.B.C. & Strategic Planning Institute's Code of Conduct are in italics.*

1. Principle of Legality

1.1 If there is any potential question of legality of an activity, don't do it.

1.2 Avoid discussions or actions that could lead to, or imply, an interest in restraint of trade, market and/or customer allocation schemes, price fixing, dealing arrangements, bid rigging, or bribery. Don't discuss costs with competitors if costs are an element of pricing.

1.3 Refrain from the acquisition of trade secrets from any means that could be interpreted as improper, including the breach or inducement of a breach of any duty to maintain secrecy. Do not disclose or use any trade secret that may have been obtained through improper means or that was disclosed by another in violation of a duty to maintain its secrecy or limit its use.

1.4 Do not, as a consultant or client, extend one benchmarking study's findings to another company without first obtaining the permission of the parties to the first study.

1.5 As a member of the benchmarking network, do not extend the results of another network member's benchmarking study to another organisation outside the network without permission of any parties involved in the study. Within the network, study results are assumed to be public domain, though parties to the study may remove/conceal/disguise/etc. any information they deem confidential, sensitive, or proprietary, and therefore do not wish to share with the rest of the network.

2. Principle of Exchange

2.1 Be willing to provide the same type and level of information that you request from your benchmarking partner to your benchmarking partner.

2.2 Communicate fully and early in the relationship to clarify expectations, avoid misunderstanding and establish mutual interest in the benchmarking exchange.

CODE OF CONDUCT

2.3 Be honest and complete.

2.4 Any network member has the right to refuse, for any reason, to participate in any benchmarking study or to provide information it deems proprietary, confidential, sensitive, or otherwise inappropriate.

3. Principle of Confidentiality

3.1 Treat benchmarking interchange as confidential to the individuals and companies involved. Information must not be communicated *outside the benchmarking network* without the prior consent of the benchmarking partners who shared the information.

3.2 A company's participation in a study is confidential *outside the benchmarking network* and should not be communicated externally without their permission.

3.3 Within the benchmarking network, free exchange of information is encouraged, however, an organisation may opt to withhold any specific information it deems proprietary, confidential, sensitive, or otherwise inappropriate. This includes information contained in the network membership directory and/or the results of benchmarking studies undertaken with other network members.

3.4 The Newcastle Business School retains the right to publicise the existence of the network, its organisation, structure, protocols, participants, projects undertaken, results achieved, processes used, and the like. Any information deemed proprietary or sensitive would be disguised in an appropriate manner to maintain confidentiality while retaining the integrity of the information.

4. Principle of Use

4.1 Use information obtained through benchmarking only for the purposes of formulating improvement of operations or processes within the companies participating in the benchmarking study.

4.2 The use or communication *outside the network* of a benchmarking partner's name with the data obtained or practice observed requires the prior permission of that partner.

4.3 Do not use benchmarking information or any information resulting from a benchmarking exchange or benchmarking related networking as a means to market or sell.

5. Principle of First Party Contact

5.1 Initiate benchmarking contacts, whenever possible through a benchmarking contact designated by the partner company. *A benchmarking contact is specified in the directory of network members.*

5.2 Respect the corporate culture of partner companies and work within mutually agreed procedures.

CODE OF CONDUCT

5.3 Obtain mutual agreement with the designated benchmarking contact on any hand-off of communication or responsibility to other parties.

6. Principle of Third Party Contact

6.1 Obtain an individual's permission before providing his or her name in response to a contact request *from organisations outside of the network.*

6.2 Avoid communicating a contact's name in an open forum *outside the network* without the contact's prior permission.

7. Principle of Preparation

7.1 Demonstrate commitment to the efficiency and effectiveness of benchmarking by being prepared prior to making an initial benchmarking contact.

7.2 Make the most of your benchmarking partner's time by being fully prepared for each exchange.

7.3 Help your benchmarking partners prepare by providing them with a questionnaire and agenda prior to benchmarking visits.

8. Principle of Completion

8.1 Follow through with each commitment made to your benchmarking partner in a timely manner.

8.2 Complete each benchmarking study to the satisfaction of all benchmarking partners as mutually agreed.

9. Principle of Understanding and Action

9.1 Understand how your benchmarking partner would like to be treated.

9.2 Treat your benchmarking partner in the way that your benchmarking partner would want to be treated.

9.3 Understand how your benchmarking partner would like to have the information he or she provides handled and used, and handle and use it in that manner.

10. Principle of Selecting New Members

10.1 Any network member, including the Business School, may propose a new member.

10.2 The steering group will take the final decision on the admission of new members after consultation with existing group members.

Appendix 6: Organisational Structures

ORGANISATIONAL STRUCTURES

The following organisational structures are designed to enhance the exchange of best practice, to facilitate the benchmarking process, and to help guarantee sufficient data is collected by the research team. This simple framework should also help ensure the Network's permanence and that members' concerns are addressed in a timely and appropriate fashion.

STEERING GROUP

A steering group consisting of up to 9 Network members plus up to 2 representatives of the Newcastle Business School has been formed to direct the activities of the Network. This will include organising Network meetings and events, vetting proposed new members, reviewing the code of conduct, organisational structures and protocols, and monitoring and evaluating the effectiveness of the Network.

This group is drawn from volunteers representing a cross section of Network membership both in terms of size and industry/service sector and functional area. A selection process will be initiated by the steering group as demand for representation on the group grows. One third of the non-Business School membership will rotate every 12 months. This should help maintain continuity while giving the opportunity for any interested members to participate. A member of the steering group may opt out at any time and another Network member will be selected to complete their term. A chair will be nominated at the first meeting.

The steering group will meet quarterly (during working hours). Each organisation represented on the steering group will take turns hosting a meeting. The Business School will handle administrative matters for the steering group including publishing an agenda for the meetings, notifying/reminding members of upcoming meetings, providing a secretary to record and summarise the meetings, and disseminating a summary of the meeting to all Network members.

EXTERNAL ADVISORY PANEL

It is proposed a 2 to 3 member external advisory panel be created to provide independent guidance and review of the Network's activities. This panel could be composed of a recognised benchmarking expert, a respected local business advisor, and a regional representative of the D.T.I. or other similar quasi-governmental body dedicated to business development. The composition of this panel would give Network members a link to other regional development efforts as well as, access to additional benchmarking experience and expertise.

Links to the Network would be through the steering group and the Business School. The external advisory panel would be provided with minutes of steering group and general membership meetings. The Business School would provide the panel with

ORGANISATIONAL STRUCTURES

periodic updates on the status of the project and would solicit input on how to improve the operation of the Network and members' benchmarking efforts. This input would then be fed back to Network members. Members of the advisory panel would also be invited to attend and participate in steering group and Network membership meetings, but would not have a decision-making role.

The steering group, based on input from Network members, will take a decision on the formation and composition of this panel at their first meeting.

NETWORK MEMBERSHIP MEETINGS

Meetings open to approximately four members of each participating organisation will be held on a regular basis. Initially, these meetings should facilitate the co-operative processes and assist organisations to identify common interests and benchmarking partners within the Network. As the process unfolds, they will provide an opportunity to exchange benchmarking and self assessment best practice, as well as, the results of benchmarking improvement projects. In addition, Network membership meetings will provide a formal opportunity for communication between the steering group and members, and for the Business School team to communicate any research findings.

These meetings will be chaired by a member of the steering group and will initially be held every 2 months (during working hours) beginning in late Sept./early Oct. As the Network develops, the frequency of formal meetings will be determined by the steering group. Network members are each asked to take a turn hosting a Network membership meeting and summarising/disseminating the results of these meetings. The Business School will kick off the schedule with a meeting focusing on feedback from the self assessment seminars and the first steering group meeting.

The Business School will announce the meetings, provide an agenda, and record and disseminate the minutes to all Network members.

These meetings will complement the activities of the Best Practice Club, of which each Network participant is a member. The Best Practice Club will continue to serve as a forum for the exchange and dissemination of general best practice, giving members a chance to further opportunities to learn from the experiences and best practices of others.

NETWORK MEMBERSHIP DIRECTORY

A directory containing basic information about each participating organisation is being created and will be distributed to all Network members. Each organisation will provide information, via pro-formas and questionnaires created by the Business School, which has taken initial responsibility for creating and updating the directory.

ORGANISATIONAL STRUCTURES

Key elements from the pro formas and surveys are also being summarised into a basic exchange matrix which will begin to capture each organisation's perceived strengths and the areas in which they would like to improve and/or learn from other Network members. The directory and exchange matrix will help Network members begin to identify common interests and facilitate the formation of special interest groups and benchmarking partnerships.

A first edition of the directory and matrix should be ready for the first Network membership meeting (depending upon prompt action by both the research team and Network members). As the project progresses, the directory will be updated and revised to include such items as detailed self assessment information, the results of benchmarking projects, the processes used, and performance measures and best practices identified. Eventually, the directory could take the form of a computerised database that could further enhance information exchange amongst Network members. Ultimately, the development of this information exchange tool will be guided by Network members through input to the steering group.

Two overriding principles guide the composition and subsequent use of the directory. First, any Network member may decline to share any information it deems sensitive, proprietary, or otherwise inappropriate. This in no way impairs participation in the Network. Second, no member may share directory information (about other members) with anyone outside the Network, no matter what the purpose without the permission of other network members.

CONTACT PERSON/RESEARCH LIAISON

Each organisation will provide a primary benchmarking contact person(s) through which all benchmarking requests from Network members will flow. This will help ensure contacts are made in a professional manner and to agreed protocols. How that contact person handles benchmarking requests is up to each organisation. It is the responsibility of the contact person to ensure benchmarking teams from his/her organisation approach other Network members appropriately. It is also the responsibility of the contact person to instruct benchmarking teams from his/her organisation in the code of conduct endorsed by Network members, and to stress the importance of confidentiality and professionalism.

Each organisation will also designate a link to the research team. This research link or liaison, who may also be the contact person, will ensure the research team is informed of the Network related benchmarking activities of each participating organisation. This research liaison/contact person will also enable each organisation to more accurately assess the benefits and costs of their benchmarking efforts and Network related activities.

Appendix 7: Recruitment Brochures & Application Packet

NEWCASTLE BUSINESS SCHOOL
BENCHMARKING NETWORK

OLD

INFORMATION PACKAGE

&

MEMBERSHIP APPLICATION

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

1. What is the Benchmarking Network and what is its mission?

The Newcastle Business School's Benchmarking Network is a permanent regional network of quality-driven organisations and has been created for the purposes of exchange, dissemination, and implementation of best practice. It gives your organisation a unique opportunity to learn from other leading organisations in the region.

2. What experience does Newcastle Business School have in the field of quality improvement and the exchange of best practice?

The Benchmarking Network was developed at the request of members of the School's Best Practice Club. Established in 1990, the Best Practice Club has operated successfully as a forum for the exchange of ideas amongst senior managers in North East quality and improvement-driven organisations. The Network answers their expressed desire for a more active and systematic exchange of best practice. The Business School itself has a long record of providing useful training courses and consultancy services, and has recently received an "excellent" rating in the H.E.F.C.E. teaching quality assessment. Members of the Business School's project team have strong industry, consulting, and research experience.

3. How does it work?

Each participating organisation supplies basic information about its operations. Each organisation also provides performance measures for processes and sub-process critical to their own success. If they choose, organisations also indicate how they assess themselves against a recognised quality model such as the E.F.Q.M.s'. Organisations also indicate which areas they are interested in benchmarking, and indicate which areas are of no interest or are off limits. The purpose of collecting this performance information is not to create a league table, but rather it is to help members identify common interests and possible best practices. Formal Network exchange meetings organised by the Business School also facilitate this process.

Standard forms have been created by the Business School's project team to capture this information. Training sessions have been devised to help organisations with the information gathering and analysis process. This information is compiled into a Network Directory and Exchange Matrix and is distributed to all members. The Business School takes responsibility for creating and updating these information sources. As the Network progresses, a database of best practice will develop, as well

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

courses are offered at the beginning of the process and will be repeated on a limited basis as required and resources permit.

The first training session introduces the E.F.Q.M. Model for Total Quality Management and the process of self assessment against its nine component parts. This is accomplished through a brief introduction to the model and through a series of syndicate and larger group sessions which analyse preliminary assessments which participants have prepared prior to the session. The second session assists organisations in the process of selecting benchmarking projects. The basic premise underlying this course is that benchmarking projects should be linked to the organisation's critical success factors, i.e.; What the organisation must do well, if it is to succeed. This linkage begins with an examination of the organisation's mission and cascades down through the critical success factors and the key organisational processes and sub-processes that support the fulfilment of them. This analysis should begin to generate a laundry list of potential benchmarking projects. The session then discusses some basic methods of prioritising this list and selecting do-able projects and ties the process to self assessment. The final training session gives organisations the opportunity to train a benchmarking team in some basic benchmarking techniques.

Each session lasts between a half and a full day and will be hosted by the Business School at its Longhirst campus just outside Morpeth. Generally, four alternative dates are available, and between four and six individuals from each organisation are invited to attend. The numbers and dates will be flexible to ensure maximum participation.

7. This all sounds well and good, but how much is it going to cost my organisation.

Obviously, there is some cost involved, and it is probably best to consider it in three parts. The first part is the up front cost. To participate in the Network, you must join the Business School's Best Practice Club. This will cost your organisation £175 + V.A.T. per annum. Besides being included in the Network Directory and Exchange Matrix and being invited to the training sessions and exchange meetings, you and other individuals from your organisation are invited to attend Best Practice Club meetings, at which attendance is limited only by the space available at the host organisation's site, and every effort is made to accommodate those wishing to attend.

The second cost results from the fact that during the first 18-24 months of the Network's existence, the Business School will be closely studying its activities and the activities of and its participants. This means a lot of information about your benchmarking and improvement activities will be collected. We will want to know

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

8. What are the benefits?

There are several important benefits to becoming involved in the benchmarking Network. First, by creating a formal Network of blue chip, quality-driven organisations, participants will have easier access to potential benchmarking partners. This should reduce the resources required to undertake a benchmarking project(s). Second, the Network, by encouraging true benchmarking partnerships, should allow participants to get behind performance measures and provide access to and understanding of the practices, procedures, and systems that enable superior performance. Third, basic training in self assessment and benchmarking techniques will be provided by the Business School in exchange for the opportunity to closely study the activities of participating organisations. This will reduce initial resource commitments. Fourth, benchmarking contacts will be carried out in an organised and systematic manner according to agreed upon protocols. Concerns of being overwhelmed with requests for information or confidentiality being betrayed should be reduced. Finally, because of the research aspect of the project, and the fact the results will be published, the opportunity exists for Network members to learn from an analysis of initial successes and failures. It also gives a chance to enhance your reputation as a progressive, quality-focused, organisation. In the process, the reputation of the North East and the Newcastle Business School as a centre for the promotion of world class business performance should also be enhanced.

9. I am sold on the Network. How do I get involved?

The application procedure involves four simple steps. Part One requires you to provide some basic details about your organisation. This overview should be limited to no more than 2-3 A4 Sheets. Specific areas to address are clearly identified in the application pack. If you become part of the Network, this information will be included in the membership directory. Part Two asks for some basic performance measures such as; customer satisfaction, quality & productivity, cycle time and employee satisfaction. Provide figures for only those you measure and feel comfortable sharing. Part Three asks you to go through a list of basic operating and supporting processes and identify (with a tick mark) 1) whether you measure performance of the process, 2) whether the process is documented, and 3) whether the process is benchmarked and, if so, against which targets. The fourth and final part of the application procedure asks you to answer a few questions about your current benchmarking and self assessment activities.

E.F.Q.M SELF ASSESSMENT SEMINAR

The first training session introduces the E.F.Q.M. Model for Total Quality Management and the process of self assessment against its nine component parts. This is accomplished in a four hour session, one-half of which is an introduction to the model and the scoring process. During the second part of the session, syndicate and larger group sessions analyse preliminary self assessments which participants have prepared prior to the session.

The success of the E.F.Q.M. Seminar depends upon the preparation of a pre-workshop assignment. This assignment gives Seminar participants an opportunity to apply the self assessment process using the E.F.Q.M. Model to several parts of their own organisation. The assignments will provide Seminar participants with a series of case studies that enhance understanding of the model and scoring process, and demonstrate how output from self assessment can be used to drive continuous improvement.

Before the Seminar each participating organisation will provide a detailed description of their activities in four sub-criterion areas of the Enablers section of the E.F.Q.M. Model. This description will identify specific policies, processes, procedures and the like that are used to manage activities related to the sub-criterion. The organisation will also identify the extent of planned and actual deployment, frequency of review, and improvements of these policies, processes, and procedures.

During the Seminar, a selection of these pre-workshop assignments will be evaluated by small syndicates. Strengths and areas for improvement of both the approach and deployment of the approach will be identified. The organisation's efforts in this area will then be scored using a group consensus process.

The sub-criteria selected for analysis are as follows:

- **Leadership- Sub Criterion 1a-** *Visible involvement (of executive team and all other managers) in leading Total Quality Management.*
- **Policy and Strategy- Sub Criterion 2a-** *How policy and strategy are based on the concept of Total Quality.*
- **People Management- Sub Criterion 3d-** *How the involvement of everyone in continuous improvement is promoted and people are empowered to take appropriate action.*
- **Processes- Sub Criterion 5a-** *How processes critical to the success of the business are identified.*

A series of worksheets to capture details of the organisation's efforts in each of these areas is included in the pre-workshop materials. A separate three page worksheet is provided for each of the above sub criterion The worksheets contain a description of the relevant criteria and sub criterion, as well as, guidelines on areas to address in your preliminary analysis. They also contain step by step instructions. Besides completing each of the worksheets, written briefing and background information related to each sub criterion is also provided.

BENCHMARKING TEAM TRAINING SEMINAR

The final training session gives organisations the opportunity to introduce an improvement team to a basic benchmarking process model and to some of the skills necessary to undertake a successful benchmarking project. The Seminar should be useful for building understanding and support for the benchmarking process within each organisation's project team. Organisations may also use the Seminar for training of their internal training staff. The internal staff could then be used to cascade the skills to the project team and other members of the organisation.

The Seminar will begin with an introduction to benchmarking and will include a discussion of its history and current application, the different types of benchmarking, the benefits of benchmarking, how it can be tied to the organisation's critical success factors, the ethics and protocols of the process, and how it relates to other total quality management tools. The Seminar will then outline a basic benchmarking process model and review each part of its Plan, Do, Check, Action, (Deming) cycle.

Next, the Seminar will address in detail each step in this basic benchmarking cycle. Skills required at each step will be discussed. This will begin with the process of planning and identifying the customers of the benchmarking study. Next, process mapping techniques will be introduced and process measurements identified. Basic problem solving techniques will also be reviewed.

The session will then focus on the search for superior performance, the analysis of this performance, and the adaptation and implementation of superior practices. Planning the search and uncovering superior performance through secondary research will be addressed. Planning for and conducting a site visit, as well as ethical guidelines to observe will be reviewed. Data analysis and identification of current and future performance gaps will then be introduced. The Seminar will then focus on the adaptation and implementation of best practices. Finally, the Seminar will suggest ways of integrating the benchmarking process into the organisation's continuous improvement process and how its effectiveness as a quality improvement tool can be monitored.

It is hoped this Seminar will help organisations get projects off the ground more rapidly and avoid some of the more common pitfalls organisations face when undertaking benchmarking activities.

The session is tentatively planned to last one full day. It is also expected a pre-workshop assignment will again form the basis for case studies that will illustrate the basic themes of the Seminar.

Doug.

BENCHMARKING COMMON INTEREST GROUP

- THE EFFECTIVE MANAGEMENT OF CHANGE

1. THE NEED FOR CHANGE - KEY LESSONS LEARNT

- Must be a need/reason for change Eg. Market Testing
  - Market Share
  - New Customer Requirement

- Usually external factors.

- Be alert and have mechanism to be pro-active to respond to external factors.

- Political dimension in service industries, eg. local government/N.H.S..

- Honest communication of reasons for change critical.

2. COMMUNICATION - KEY LESSONS LEARNT

- Vital in achieving objective of change.

- Honesty.

- Communication of vision vital.

- Emphasis on the how of change, involvement of stakeholders. Emphasis on importance of customers.

- Plan the communication process.

- Strategy important.

- Be specific with individuals directly affected. Broader communication with those directly affected.

- Trade Unions involved as part of change team.

- Use mechanisms (varied) to gauge staff response/effectiveness.

3. BUSINESS PROCESSES - KEY LESSONS LEARNT

- Look at total processes that have direct effect on bottom line.

- Match capacity (resource) to process re-design.

- Never doubt the change - once agreed.

- Ownership - critical.

- Does change add value to customer; if so do it, if not don't.

Benchmarking Network
Common Interest Group

Customer Satisfaction

Partnership Questionnaire - Detailed Phase

Company Background

Please provide a brief description of your :

Operations

Manufacturing & Sales

Products

IT hardware / software / applications

Markets

UK - Retail
- Financial services
- Local government
- Central government
- Commercial

Customer types.

Big m/c's - Inland Revenues / DSS
Single user p/c's

- Supply chain

Manufacturing - via own sales force to major applications

- via partnership arrangements for value added resellers eg P/c + applications eg. Computer centre

Partnership Questionnaire - Detailed Phase

How to "PLAN" who and what to survey to Measure Customer Satisfaction

1. Who decides to carry out a survey ?

   Main Board

2. What triggers a survey ?

   To ensure we have a measurement in place

3. What are the aims / objectives of the survey ?
5. What are the reasons for carrying out a survey ?

   To measure against competition

4. What other processes measure the same aims ?

   Customer Complaints / Customer review feedback

6. Who is involved in the survey design

   - External agency to carry out and they help to design
   - All divisions with company sales / service / logistics / manufacturing representation

7. How are the surveyees identified and selected ?

   Chosen by Sales Division
   Key customers to business plan
   Target decision makers (MD's) / influencers (Senior IT Manager)

8. When is the survey carried out ?

   First half of the year to allow actions to be build into objectives

9. What is the extent / size of the survey ?

   30 mins telephone call / 6-700 Own/ competitors customers

10. What topics are covered on the survey ?

    Total supply chain from awareness / purchasing /supply / after sales points of contact

11. How do you measure how good the planning step is ?

    Plan prepared - 9 months to develop; 12 weeks to repeat

12. What improvements are you planning to make to the Planning step ?

    Have combined a postal and tel.survey into a telephone survey to reduce hassle and costs; allows targeting of the right person

Partnership Questionnaire - Detailed Phase

How to "ANALYSE" the responses from the Customer Satisfaction Survey

1. How do you measure the results of the survey in relation to the initial objectives ?

   Compare the results against original objectives

2. What processes of analysis do you use and why ?

   1-10 scale plus qualitative comments

3. What is your experience of using internal / external analysis

   Consultants will do 1st cut analysis; and inhouse we will do detailed analysis of comments

4. How do you use weighting measures analysing the results ?

   Customers provide importance factor for each element

5. How long do you take to analyse and feedback results ?

   4 weeks

6. How do you decide who to cascade results to and their appropriateness ?

   In each division, champion cascades report to the MD's and to all employees ; summary report to customers including limited competitor information which will not embarrass the competition ; press release

7. How do you quantify the resource required for the checking process ?

   £70k for 5-600 responses

8. How do you feel the effectiveness of the analysis process relates to the frequency of data collection ?

   Not less than annually, depending on fast the market is moving

9. How do you assess the reliability of the information provided in the survey responses ?

   If the responses are >20-40 per market segment there is no problem

Partnership Questionnaire - Detailed Phase

10. What are the mechanisms you use to review the effectiveness of the analysis step in the process ?

Plan cycle time 4 weeks
Narrowing / widening of the gaps

11. What measures do you use to judge degree of improvement observed in the survey topics?

Movement on 1-10 scales

12. How do you determine the levels of authority to carry out the evaluation process ?

Senior manager using IT analysis tool assisted by an industrial trainee

13. What methods of presentation of the results are used ?

Headlines and graphics cascaded electronically company wide through IT system

BENCHMARKING NETWORK

NETWORK MEMBERSHIP DIRECTORY
(SAMPLE)

1. **ORGANISATION NAME**

2. **ADDRESS**

3. **BENCHMARKING CONTACT PERSON & RESEARCH LIAISON & STEERING GROUP MEMBER(IF APPROPRIATE)**

4. **PHONE NUMBER/FAX NUMBER**

5. **BRIEF HISTORY/BACKGROUND OF ORGANISATION**

6. **BUSINESS SECTORS OF PRIMARY CONCENTRATION**

7. **MAIN PRODUCTS/SERVICES OFFERED**

8. **PRIMARY MARKETS SERVED (GEOGRAPHY)**

9. **MAJOR CUSTOMERS**

10. **MAJOR SUPPLIERS**

11. **MAJOR COMPETITORS**

12. **OWNED OR CONTROLLED BY (NAME & HEADQUARTERS ADDRESS)**

13. **NUMBER OF OPERATIONAL SITES**

14. **ANNUAL TURNOVER OR BUDGET**

15. **NUMBER OF EMPLOYEES**

BENCHMARKING NETWORK

BASIC EXCHANGE MATRIX
(SAMPLE)

BENCHMARKING PROJECT SELECTIONS (EXAMPLES)	COMPANY A	COMPANY B	ETC.
Developing new products			
Processing customer orders			
Planning and scheduling production			
Handling materials			
Assuring product quality			
Maintaining plant & equipment			
Warehousing and storing the product			
Delivering the product			
Managing inventory			
Maintaining plant and equipment			
Billing the customer			
Handling customer inquiries			
Training employees			
Processing accounts payable and receivable			
Managing environmental impact			
Managing banking and lending relationships			
Conducting quality assessments			
Employee Well Being and Morale:			
Employee Satisfaction			
Safety			
Absenteeism			
Employee Turnover			
Etc.			

Note: The actual format of the matrix will be determined by membership response to initial requests for information. The matrix and directory will be expanded as the project progresses to include information uncovered during benchmarking studies.

BENCHMARKING NETWORK

E.F.Q.M. EXCHANGE MATRIX
(SAMPLE)

E.F.Q.M. CRITERIA AND SUB-CRITERIA	*MEASUREMENT*		
	COMPANY A	COMPANY B	E.T.C
1. LEADERSHIP			
1a. Visible involvement ...			
1b. A consistent quality culture			
1c. Timely recognition & appreciation...			
1d. Support by provision of resources...			
1e. Involvement with customers and suppliers			
2. POLICY AND STRATEGY			
2a. Based on concept of Total Quality			
2b. Formed on basis of information relevant to T.Q.			
2c. Basis for business plans			
2d. Communicated			
2e. Regularly reviewed and improved			
3. PEOPLE MANAGEMENT			
3a. Continuous improvement in People Management...			
3b. Skills and capabilities are preserved through recruitment...			
3c. People & teams agree targets & continuously review performance			
3d. Involvement of everyone is promoted			
3e. Effective top-down and bottom-up communication...			
4. RESOURCES			
4a. Financial resources			
4b. Information resources			
4c. Material resources and fixed assets			
4d. The application of technology			
5. PROCESSES			
5a. Critical processes are identified			
5b. Systematic process management			
5c. Measured, reviewed, and targets set for improvement			
5d. Creativity and innovation in process improvement is encouraged			
5e. Implementation of process changes and evaluation of the benefits.			
6. CUSTOMER SATISFACTION			
7. PEOPLE SATISFACTION			
8. IMPACT ON SOCIETY			
9. BUSINESS RESULTS			
TOTAL SCORE:			

Note: Matrix will be updated as network evolves.
Use of E.F.Q.M. self assessment is not a requirement for participating in the Network.

INSTRUCTIONS: SEE FINAL PAGE

*ORGANISATION NAME:*_____

BENCHMARKING NETWORK

Application Form- Part II

CRITICAL SUCCESS FACTORS	*ACTUAL PERFORMANCE*	*IS IT BENCHMARKED?* ☑				*NOTES*
		INTERNAL	BEST COMPETITOR	INDUSTRY AVERAGE	BEST-IN-CLASS	
Customer Satisfaction:						
Customer Reject Rates						
Customer Satisfaction Levels						
On-time Delivery						
Market Share Loss/Gain						
Other:						
Quality & Productivity:						
Defect or Error Rates						
First Pass Yield						
Equipment Downtime						
Rework Costs						
Warranty Costs as % of Sales						
Labour Productivity						
Inventory Turnover						
Resource Utilisation						
Other:						
Cycle-Time:						

INSTRUCTIONS: SEE FINAL PAGE

*ORGANISATION NAME:*_____

BENCHMARKING NETWORK

Application Form- Part II

CRITICAL SUCCESS FACTORS	*ACTUAL PERFORMANCE*	*IS IT BENCHMARKED?* ☑				*NOTES*
		INTERNAL	BEST COMPETITOR	INDUSTRY AVERAGE	BEST-IN-CLASS	
Time to Market for New Products						
Cycle time for Key Business Processes						
Other:						
Employee Well Being and Morale:						
Employee Satisfaction						
Safety						
Absenteeism						
Employee Turnover						
Other:						
Other:						

Instructions:

1. In the column- Actual Performance- Record your organisation's actual performance on each of these generic "critical success factors".
If your organisation does not track performance in these areas please indicate N.A. (not applicable).
Use the Notes column to provide any necessary explanations for the measures listed.
Following each measurement section is space for you to add any other Critical Success Factors your organisation measures.

2. In the columns- Is it Benchmarked?- Internal, Best Competitor, Industry Average, Best-In-Class, use a tick mark to indicate whether your organisation benchmarks the critical success factor against any of these targets- internal (other plants or divisions), your best competitor, the industry average, best-in-class performers.
Leave blank if your organisation doesn't benchmark the critical success factor or against a particular target.

Instructions- See Final Page

*Organisation Name:*_____

BENCHMARKING NETWORK

PROCESS CLASSIFICATION SCHEME

Application Form Part III

PROCESS CLASSIFICATION	IS IT MEASURED ?	IS IT DOCUMENTED?	IS IT BENCHMARKED?				NOTES
			INTERNAL	BEST COMPETITOR	INDUSTRY AVERAGE	BEST-IN-CLASS	
Maintaining plant and equipment							
V.a. PRODUCING & DELIVERING (SERVICE)							
Planning for and acquiring necessary resources and inputs							
Developing human resource capabilities							
Delivering service to the customer							
Ensuring service quality							
VI. INVOICING & SERVICING CUSTOMERS							
Billing the customer							
Providing after sales service							
Responding to customer inquiries							
B. MANAGEMENT & SUPPORT PROCESSES							
I. DEVELOPING & MANAGING HUMAN RESOURCES							
Creating human resource strategy							
Ensuring employee involvement							
Training and educating employees							
Recognizing and rewarding employees performance							
Ensuring employee well-being and morale							
II. MANAGING INFORMATION							
Managing information systems							
Evaluating and auditing information quality							
III. MANAGING FINANCIAL & PHYSICAL RESOURCES							
Managing financial resources							
Processing accounts payable							
Processing payroll							
Processing accounts receivable							
Closing the books							
Reporting internal & external financial information							
Conducting internal audits							
Managing the tax function							
Managing physical resources							
IV. EXECUTING ENVIRONMENTAL MGMT. PROGRAM							
Formulating an environmental strategy							

Source: A.P.Q.C. I.F.S.-I.B.C.

BENCHMARKING SURVEY

ORGANISATION NAME:_____

This questionnaire will help the steering group understand how and to what extent your organisation has adopted benchmarking and self assessment as continuous quality improvement tools. Most questions require both a yes or no response, and, depending upon this response, require a brief description or overview of your organisation's activities. You may use the space below each question to print your response in block capitals. If more space is required, please attach additional sheets.

1. Is benchmarking integrated into the strategic planning process of your organisation? If so, please describe the link between your organisation's planning process and its use of benchmarking. Also, please describe any future plans you might have for integration. (Your description could include how the organisation develops goals, plans, and strategies based upon benchmarking data.)

2. Has benchmarking been integrated into other improvement activities? If so, please describe its current state of integration and any plans for future integration.

BENCHMARKING SURVEY

ORGANISATION NAME:_____

5.. Please describe the extent to which your organisation has trained and plans to train employees in benchmarking techniques. This could refer to the extent across the functional areas of the organisation as well as through the various levels of each functional area.

6. Does your organisation have a formal benchmarking unit or department? If so, please describe how it is structured and the reporting relationship. If not, how is responsibility for benchmarking activities allocated?

Appendix 8: Network Directory

NETWORK MEMBERSHIP DIRECTORY

GENERAL INFORMATION

1. **ORGANISATION NAME**
2. **ADDRESS**
3. **BENCHMARKING CONTACT PERSON & RESEARCH LIAISON & STEERING GROUP MEMBER(IF APPROPRIATE)**
4. **PHONE NUMBER/FAX NUMBER**
5. **BRIEF HISTORY/BACKGROUND OF ORGANISATION**
6. **BUSINESS SECTORS OF PRIMARY CONCENTRATION**
7. **MAIN PRODUCTS/SERVICES OFFERED**
8. **PRIMARY MARKETS SERVED (GEOGRAPHY)**
9. **MAJOR CUSTOMERS**
10. **MAJOR SUPPLIERS**
11. **MAJOR COMPETITORS**
12. **OWNED OR CONTROLLED BY (NAME & HEADQUARTERS ADDRESS)**
13. **NUMBER OF OPERATIONAL SITES**
14. **ANNUAL TURNOVER OR BUDGET**
15. **NUMBER OF EMPLOYEES**

Appendix 9: Project Selection Worksheets

BENCHMARKING NETWORK
CRITICAL SUCCESS FACTORS & KEY PROCESSES

GENERAL GUIDELINES & INSTRUCTIONS FOR COMPLETING THE ENCLOSED WORKSHEETS

I. The following items are included in this packet:

a. Form SP_01- Organisational Mission Statement
b. Form SP_02- Critical Success Factors & Key Processes Worksheet
c. Form SP_03- Sub-Process Worksheet
d. Form SP_04- Project Selection Worksheet
e. Form SP_04A- Decision Criteria Worksheet
f. Form SP_05- Off Limits Worksheet
g. Example: Forms SP_02 & SP_03
h. Self-addressed envelope to return these worksheets

II. Only one copy of each form is supplied. Please make photocopies as required.

III. Please use the following abbreviations:

N/A.- Not applicable to our organisation, or our organisation does not measure, have target, benchmark, etc., in this area.
P.- Private- Use to indicate the information is not available for release to the research team or the network membership.
C.- Confidential- Use to indicate the information is available to the research team , but is not for release to the rest of the network at this time.
N.R.A.- The organisation measures, benchmarks, or has targets, but the information is not readily available, can't be found, accessed, etc. May be available later.

IV. Please include your organisation's name on each sheet.

V. Please print legibly in block capitals.

Please return your analysis no later than 25 September.

BENCHMARKING NETWORK
CRITICAL SUCCESS & KEY PROCESSES

ORGANISATIONAL MISSION STATEMENT

(Form SP_01)

OVERVIEW
Using the attached form ***(SP_01)***, state the mission of the organisation or division of the organisation participating in the benchmarking network.

INSTRUCTIONS
(Self-explanatory.)

BENCHMARKING NETWORK
CRITICAL SUCCESS & KEY PROCESSES

CRITICAL SUCCESS FACTORS & KEY PROCESSES WORKSHEET

(Form SP_02)

OVERVIEW

Using the attached worksheet ***(Form SP_02)***, record your organisation's critical success factors. Critical success factors are the most important sub-goals or objectives of the organisation. They are those things the organisation must accomplish if it is to achieve its mission. A good definition of critical success factors is cited by Gregory Watson of Xerox:

"Critical success factors are the limited number of areas in which results, if they are satisfactory will ensure the successful competitive performance for the organisation. They are the few key areas where things must go right for the business to flourish. If the results are not adequate, the organisation's efforts for the period will be less than desired."

While organisations will express their critical success factors in different ways, it is expected they will probably fall into several general areas such as customer service, cost, productivity, cycle time, quality, profitability, employee satisfaction, and similar basic business measures. Most organisations will site no more than eight critical success factors. **Do not list just those you are good at, or vice versa, only those you want to improve. Instead, identify *up to eight* of the most important factors that are critical to your organisation's success, regardless of your current performance in achieving them.**

Using the same worksheet ***(Form SP_02)***, identify the key business/organisational process(es) that support(s) the fulfilment of each critical success factor. Think in terms of which processes must be accomplished in order to succeed in each of the areas (C.S.F.s) identified above. **Again, do not list just those you are good at, or vice versa, only those you want to improve.**

The worksheet ***(Form SP_02)*** also asks you to identify if and how each of your critical success factors and supporting processes are measured, what your performance targets are, how well you are performing against these targets, and whether/to what extent benchmarking is done.

INSTRUCTIONS

(1) CRITICAL SUCCESS FACTOR- Describe the critical success factor as clearly as possible.

(2) UNIT(S) OF MEASURE OR KEY PERFORMANCE INDICATOR(s) (K.P.I.s)- If the critical success factor is measurable, identify how your organisation measures performance against this key factor. Space is provided for identification of up to three measurements per critical success factor. If more space is required, amend the form accordingly or attach additional sheets.

BENCHMARKING NETWORK
CRITICAL SUCCESS FACTORS & KEY PROCESSES

SUB-PROCESS WORKSHEET

(Form SP_03)

OVERVIEW

Using the attached worksheet ***(Form SP_03)***, identify the key business/organisational sub-process(es) that underlie each of the major processes identified previously. These sub-processes may represent more appropriate, or more manageable, potential benchmarking projects. **Again, do not list just those you are good at, or vice versa, only those you want to improve.**

The worksheet ***(Form SP_03)*** also asks you to identify if and how each of your sub-processes are measured, what your performance targets are, how well you are performing against these targets, and whether/to what extent benchmarking is done.

INSTRUCTIONS

(1) KEY PROCESS- Identify the key process for which you are analysing the underlying sub-processes

(2) SUB-PROCESS- List in order of importance and describe the sub-processes that enable your organisation to fulfil the above key process. Space is provided for identifying up to four sub-processes. Attach additional sheets if required.

(3) DOCUMENTED- Y/N- Indicate (yes or no) whether the sub-process is documented.

(4) UNIT(S) OF MEASURE OR KEY PERFORMANCE INDICATOR(s) (K.P.I.s)- Identify how your organisation measures the performance of this sub-process. Space is provided for identification of up to three measurements per sub-process. If more space is required, amend the form accordingly or attach additional sheets.

(5), (6), & (7) PERFORMANCE TARGETS YEAR(S) 1, 3, & 5- Enter your organisation's performance targets for this sub-process for the short (1 year), medium (3 years), and long term (5 years). Amend the form to suit your organisation's planning horizon.

(8) CURRENT PERFORMANCE- Enter the sub-process' current or most recent performance If required, use the notes to explain how or when performance was calculated.

(9), (10), (11), & (12) BENCHMARKS- INTERNAL, BEST COMPETITOR, INDUSTRY AVERAGE, BEST-IN-CLASS- If you have benchmarked your organisation's performance of this sub-process against any of the above groups (internal/other divisions, best competitor, the industry average, or best-in-class/world) please indicate what levels of performance you found.

(13) NOTES- Use this section to clarify any of your responses in Nos. *1 - 12*.

BENCHMARKING NETWORK
CRITICAL SUCCESS FACTORS & KEY PROCESSES

AREAS WHICH ARE CURRENTLY OFF LIMITS TO OTHER NETWORK MEMBERS

ORGANISATION:_____

WE ARE NOT INTERESTED IN SHARING INFORMATION WITH OTHER NETWORK MEMBERS IN THE AREAS BELOW. THIS LIST WILL BE UPDATED AS APPROPRIATE.

1.

2.

3.

4.

5.

6.

7.

8.

Note: If you have used worksheets SP_02, SP_03, & SP_04, you may use a highlighter to indicate areas which are off limits to other network members at this time.

I. CRITICAL SUCCESS FACTOR

CRITICAL SUCCESS FACTOR (1)	UNIT(S) OF MEASURE K.P.I.(s) (2)	PERFORMANCE TARGETS (3) (4) (5) YEAR(S) 1	3	5	CURRENT PERFORMANCE (6)	BENCHMARKS (7) INTERNAL	(8) BEST COMPETITOR	(9) INDUSTRY AVERAGE	(10) BEST-IN-CLASS	NOTES (11)

II. KEY PROCESSES SUPPORTING FULFILLMENT OF THE C.S.F.

KEY PROCESS (12)	DOC Y/N (13)	UNIT(S) OF MEASURE (K.P.I.(s) (14)	PERFORMANCE TARGETS (15) (16) (17) YEAR(S) 1	3	5	CURRENT PERFORMANCE (18)	BENCHMARKS (19) INTERNAL	(20) BEST COMPETITOR	(21) INDUSTRY AVERAGE	(22) BEST-IN-CLASS	NOTES (23)

APPENDIX II: SAMPLE OF CRITICIAL SUCCESS FACTOR AND PROJECT SELECTION WORKSHEETS

PROCESS OR SUB-PROCESS (1)	DOC Y/N (2)	UNIT(S) OF MEASURE (K.P.I.(s) (3)	PERFORMANCE TARGETS (4) (5) (6) YEAR(S)			CURRENT PERFORMANCE (7)	BENCHMARKS (8)	(9)	(10)	(11)	NOTES (12)
			1	3	5		INTERNAL	BEST COMPETITOR	INDUSTRY AVERAGE	BEST-IN-CLASS	

APPENDIX II: SAMPLE OF CRITICIAL SUCCESS FACTOR AND PROJECT SELECTION WORKSHEETS

DECISION CRITERIA (1)	WEIGHTED VALUE (% OF 100) (2)	NOTES (3)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Appendix 10: Revised Project Selection Worksheets

Draft for comments from Steering Group members.

BENCHMARKING NETWORK

"BENCHMARKING: it takes two to tango"

A benchmarking project requires (at least) one "BENCHMARKER" and one "BENCHMARKEE". The Benchmarking Network has found many willing benchmarkers, but fewer willing "targets". Perhaps uncertainty or modesty prevents organisations from claiming to have processes suitable as benchmarking targets. Or perhaps there is a fear of being bombarded by benchmarking requests.

Newcastle Business School, on behalf of the Network, is establishing a database of potential benchmarking targets - processes operating within Network organisations which could be suitable for a benchmarking exchange with other members. NBS will treat information you supply as confidential, and will not divulge its source without your prior permission. We hope to stimulate benchmarking activity by identifying potentially fruitful benchmarking exchanges and bringing them to your attention, maintaining anonymity of all parties unless and until they agree to be named.

WHAT WE NEED YOU TO DO

Please indicate overleaf your view of each named process within your own organisation. Does it exist, and do you consider it "excellent" (or "good", or "ok")? Or is it one which you do not recognise within your organisation?

If it does exist, can you tell us how the process is measured? And how well does it perform against that measure? (If the answer is "no", say so - don't let this stop you returning the form!).

16 "processes" are listed, mostly "common interests" for two or more Network members. If you can add other processes, which may be of interest for benchmarking, please do. This is a pilot data collection exercise, and we may spread the net wider at a later date.

Remember: THE INFORMATION YOU PROVIDE WILL BE HELD IN CONFIDENCE BY NBS. You will not be named without your prior permission.

EXAMPLE

Process	**Excellent**	**Good**	**OK**	**Poor**
Preventative Maintenance	☐	☐	☑	☐

Measure: Percentage up-time of our 10 key machines

Performance: 84% (1995 year to date) (increased from 75% in 1994).

PLEASE COMPLETE THE FORM OVERLEAF, AND RETURN TO:

David Yarrow, Newcastle Business School, University of Northumbria, Newcastle upon Tyne, NE1 8ST (phone 0191 2274276 fax 2273682)

WHAT DO YOU WANT TO BENCHMARK?

NEWCASTLE BUSINESS SCHOOL: Benchmarking Network

The Benchmarking Network helps members to identify benchmarking partners in order to compare business results and the processes which produce them. "CIGs" (Common Interest Groups) bring together people who share an interest in benchmarking a particular process. Members may benchmark between themselves and/or pool their resources in order to more effectively benchmark with partners outside the CIG, within the rest of the Network and beyond.

The list below contains some likely processes around which CIGs may form. Tick any which might be of interest to you/your organisation, add comments about the processes you've ticked if appropriate (in the box, below left). Suggest other processes as CIG topics if you wish (in the box, below right).

Your details please:

Name: _____ Organisation: _____

Job title: _____ Phone no. _____ Fax no. _____

Processes	Tick
1 Measure customer satisfaction	☐
2 Develop & prototype new products/services	☐
3 Market products/services	☐
4 Process customer orders	☐
5 Hire/recruit employees	☐
6 Move materials and resources	☐
7 Package and store products	☐
8 Deliver products to customers	☐
9 Manage inventories	☐
10 Confirm specific service req'mnts for individual customers	☐
11 Identify & schedule resources to meet service requirements	☐
12 Provide services to customers	☐
13 Assure quality	☐
14 Undertake preventative maintenance	☐

Processes	Tick
15 Bill/invoice customers	☐
16 Provide after-sales service	☐
17 Respond to customer enquiries	☐
18 Manage customer complaints	☐
19 Create human resource strategy	☐
20 Ensure employee involvement	☐
21 Train and educate employees	☐
22 Recognize and reward employee performance	☐
23 Manage information systems	☐
24 Process finance and accounting transactions	☐
25 Execute environmental management programme	☐
26 Develop community relations	☐
27 Measure & monitor overall organisation performance	☐
28 Self-assessment using the EFQM/BQF model	☐
29 Benchmarking	☐

Comments about the processes you've ticked:
(continue on separate sheet if needed)

Additional/alternative CIGs:
(continue on separate sheet if needed)

Please return to: Dave Yarrow, Newcastle Business School, Newcastle on Tyne NE1 8ST (fax 0191 2273682) **by Friday 10th November '95**

Appendix 11: Exchange Matrix

OVERVIEW OF EXCHANGE MEETING

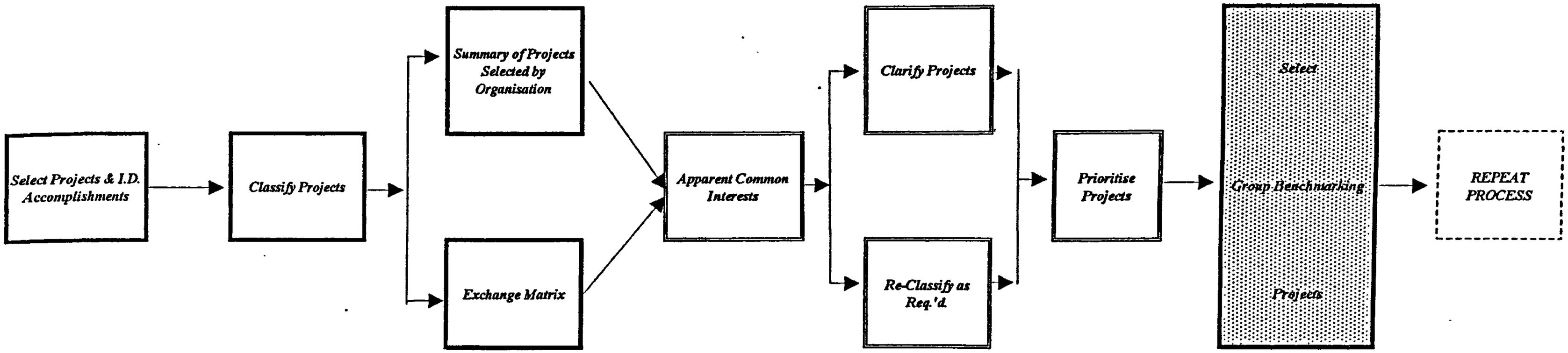


Figure 3

OVERVIEW OF EXCHANGE MATRICES

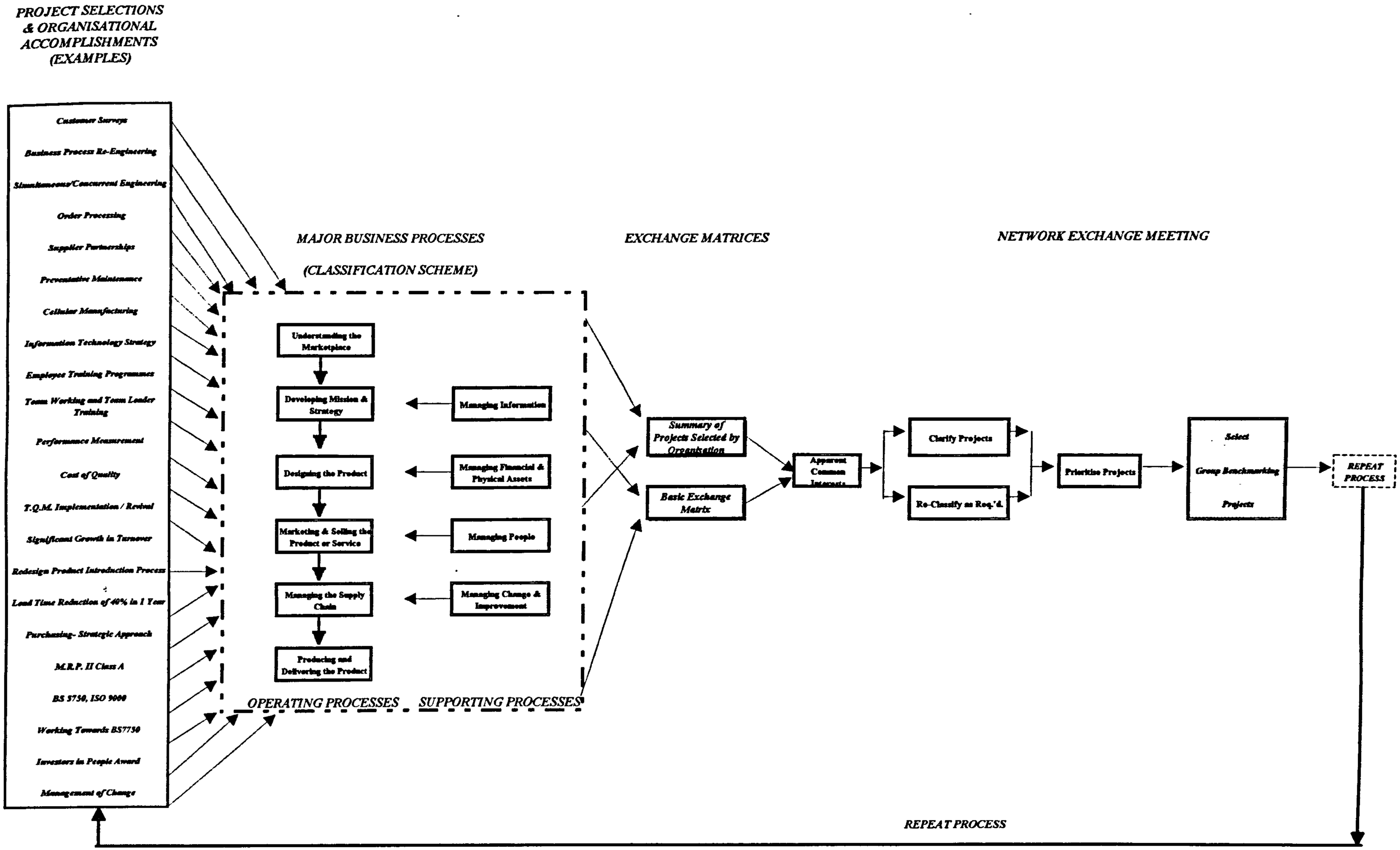


Figure 1

OVERVIEW OF CLASSIFICATION PROCESS

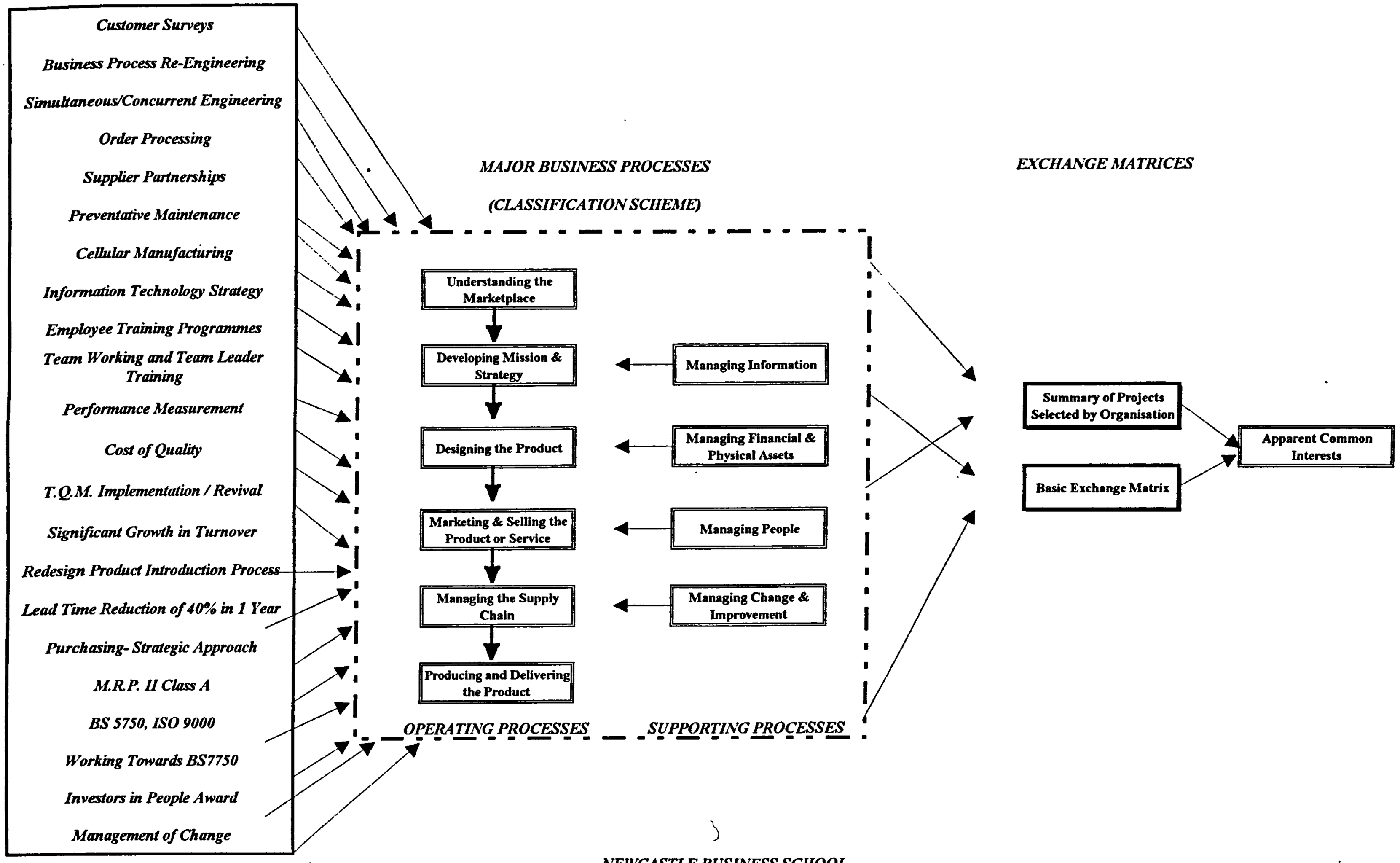


Figure 2

NEWCASTLE BUSINESS SCHOOL

OVERVIEW OF EXCHANGE MEETING

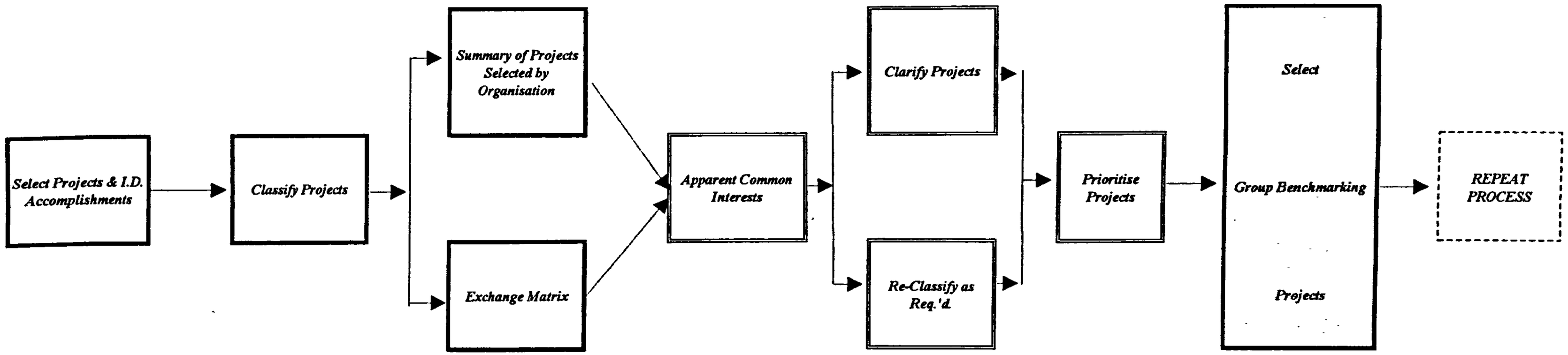


Figure 3

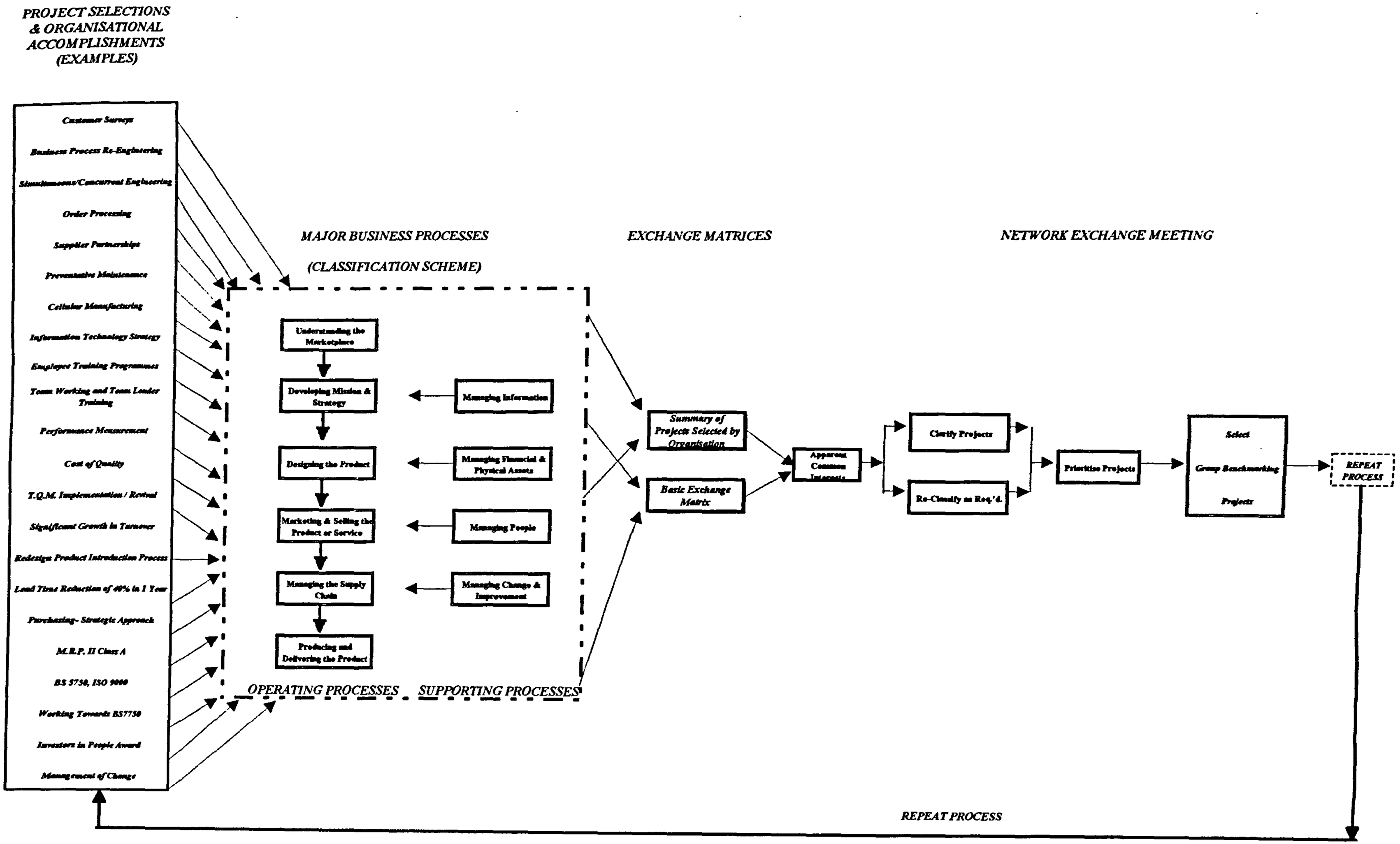


Figure 5: Overview of the Exchange Process

Appendix 12: Steering Group Meeting Minutes

BENCHMARKING NETWORK

STEERING GROUP MEETING

MINUTES

19 October, 1994

Attendees:

Trust
ators

Apologies:

I. CODE OF CONDUCT & ORGANISATIONAL STRUCTURES

Decisions taken:

- Agree to reduce steering group size to 5 members plus 1 N.B.S. member (Jan. 1995).
- To maintain continuity, 2 members of the group will rotate every 12 months.
- A balance between manufacturing and service organisations will be maintained.
- Decision making will be by simple majority of those present at meeting.
- All network members have the right to veto a potential network member.
- If a member of the steering group is unable to attend a particular session, they may designate another member of their organisation to attend.
- The D.T.I. &/or C.B.I. and a representative from another established Network will be approached as potential members of an external advisory panel.
- N.B.S. will ensure confidentiality of any Network information in its possession. I.E. no outsider access to database or computer files of members info., etc.
- All communication of network information by N.B.S. will go through the contact person unless otherwise requested. It will be the contact person's job to make sure information is disseminated appropriately within their organisation.

II. FEEDBACK ON SELF ASSESSMENT SEMINAR

- Group members were polled on their preliminary interest in an Assessor Training Course put on by Bristol Quality Centre at a venue such as, Longhirst Hall. A rough estimate of the cost of the 3 day session is in the region of £600 per person, depending upon the

introduce the synopsis of accomplishments and the list of potential areas for improvement / benchmarking projects.

- The group agreed the deadline for submission of the synopsis of accomplishments and the list of potential areas for improvements would be 17 November. This would leave enough time for preliminary analysis by the Business School, and enough time to feed that preliminary analysis back to the Network before the first exchange meeting.

IV. INITIAL EXCHANGE MATRIX

- The initial exchange matrix would be put together based on each organisations synopsis of accomplishments and their preliminary areas for improvement / benchmarking interests. The format will depend on response of Network Members.

- The exchange matrix would be ready and a preliminary version back in the hands of Network Members by 1 December.

V. FIRST EXCHANGE MEETING

- The first exchange meeting will be held on 8 December at 1:30 PM. It should last for at least two hours.

- The outcome of this meeting should be the formation of a number of special/common interest groups.

VI. NEXT PROJECT STEPS

- Given the timing of the first Network exchange meeting, the next step in the project, basic benchmarking training, will be scheduled for mid-January. This will give organisations time to select their project teams and perhaps co-ordinate training with other members of their common/special interest group.

- Note: In order to achieve maximum effectiveness of this session, I am looking for volunteers to help plan, prepare, and/or deliver the session. This might involve the preparation of a case study of your organisation which would discuss the benchmarking process used, the problems encountered and the results achieved. I am aware of one steering group member who has the word benchmarking in his job title, and another whose organisation has done a considerable amount of benchmarking in addition to being very successful in the manufacture of lighting equipment and fixtures. I am certain these sessions would greatly benefit from your inputs, as well as, the input of many of the other Steering Group and Network members. Please don't be shy about volunteering.

VII. NEW MEMBERS

- A list of current members, fence sitters/question marks, and potential new members was presented. November 17 would appear to be the deadline for fence sitters to decide

- Tom Friedewald will send a covering letter and brief instructions to Network members to introduce the synopsis of accomplishments and the list of potential areas for improvement / benchmarking projects.

- The group agreed the deadline for submission of the synopsis of accomplishments and the list of potential areas for improvements would be 17 November. This would leave enough time for preliminary analysis by the Business School, and enough time to feed that preliminary analysis back to the Network before the first exchange meeting.

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VII. NEW MEMBERS

- A list of current members, fence sitters/question marks, and potential new members was presented. November 17 would appear to be the deadline for fence sitters to decide

25 October, 1994

Dear :

Please find enclosed the following items:

1. **Minutes of the 19 October Steering Group Meeting** Please review and contact me if you have any questions.
2. **Network Directory General Information Form** Please make sure details for your organisation are accurate and return any corrections. (For those who have not yet provided this information, and still want to be included in the 1st edition of the Directory, **please return a completed form and/or corrections by 17 November**.
3. **Benchmarking Project Selection Form** If you have not yet submitted a list of potential benchmarking projects, please use this form to list your selections. Please describe your selections in as much detail as you feel comfortable. **Submit this information no later than 18 November**.
4. **Accomplishments / Successes Form** Use this form to list your organisation's key accomplishments over the last 5-7 years. Please use a bullet point style and aim to confine your response to no more than 2 sides of A-4. For example- Reduced lead time by 50% between 1993-1994, or Increased stock turns by 150% since 1992, or achieved BS 5750 / ISO 9000 in 1993. This synopsis will give other members of the network a better idea of what your organisation is good at, and what they might be able to learn from your accomplishments. **Submit this information no later than 18 November**.
5. **R.S.V.P.- First Network Exchange Meeting.** If you and/or other members of your organisation would like to attend the first **Network Exchange Meeting to be held at 1:30 PM on 8 December at Longhirst Hall (just outside Morpeth)**, use the enclosed R.S.V.P. to indicate your interest. The Network Exchange Meeting will provide an excellent opportunity to identify common interests and to form benchmarking partnerships. Please return **R.S.V.P. by 28 November**.

Items 3 & 4 above (Benchmarking Project Selection Form & Accomplishments / Successes Form) have been devised by the Steering Group to get the exchange process up and running. (Please see also enclosed meeting notes.)

UNIVERSITY of NORTHUMBRIA at NEWCASTLE

NEWCASTLE BUSINESS SCHOOL Director: Professor Don Cassells

Northumberland Building
Newcastle upon Tyne NE1 8ST
Telephone (091) 227 4373
Fax (091) 227 4560

Direct Telephone Line

STEERING GROUP MEETING

The next meeting of the ***Benchmarking Network Steering Group*** will be held on ***17 January at 3:00 PM*** in ***Boardroom No. 2*** of the ***Ellison Building*** at the ***City Centre Campus*** (Northumberland Road). Please let me know by the 16th whether you will attend, so I can make arrangements for you to park in the main car park (Northumberland Road).

Prior to the meeting, I would ask that you review the proposed agenda for the upcoming Benchmarking Training Session. Any materials, which could be used as examples to illustrate any of the agenda items, would be greatly appreciated. Please bring these materials, plus your input on the design and delivery of the session to the steering group meeting..

In addition, prior to the meeting, I would like you to give some thought to the following research-related questions:

1. ***How should the activities of the common interest benchmarking groups be monitored?***
2. ***How should the benchmarking projects at my organisation be monitored?***
3. ***What factors will affect the success of the common interest benchmarking groups?***
4. ***What factors will affect the success of benchmarking projects at my organisation.***

As noted before, my research is focused on two inter-related areas. First, I am trying to evaluate the impact of the common interest benchmarking group process (what I've been calling "group benchmarking") on your organisation's benchmarking efforts. Second, I am trying to model the group benchmarking process to determine what factors influence its success or failure. In order to achieve these research objectives, I need your input on what factors are important, and how best to monitor them.

If you could come to the steering group meeting with a short list of your thoughts on nos. 3 & 4 above, I would be grateful. A few minutes at the end of the meeting will be spent on these points. The majority of the session will focus on ensuring the success of the Network and the common interest groups. (Points I, II, & III on the attached agenda)

I look forward to seeing you on the 17th.

Sincerely,

Tom Friedewald

Vice-Chancellor Professor Laing Barden CBE

University of Northumbria Newcastle Business School

BENCHMARKING NETWORK

MINUTES of the STEERING GROUP MEETING

7th June 1995

Attendees:

r Generation Systems

ers
isiness School

Apologies:

rgy
ty Health Trust
ited

ıg
ısiness School

1. AGENDA AND WRITTEN SUBMISSIONS

The agenda of this meeting was a review of progress in the establishment and running of the Benchmarking Network, and a discussion of "the way ahead". A paper had been circulated in advance by David Yarrow, inviting comments on four issues as follows:

1. The mission of the Benchmarking Network is currently worded as follows:

   "A permanent regional network of quality-driven organisations, created for the purpose of exchange, dissemination and implementation of best practice".

   This wording was chosen by the Business School staff involved in the Network, some time ago. In your view, is this an appropriate mission for the Network, or should it change?

2. Assuming that we've agreed the mission, how do you think we should measure the success of the Network?

3. In your view, how successful is the Network so far?

4. What needs to be done to progress the Network further towards fulfilment of its mission?

Written responses had been submitted by Da[illegible]n; and these were reviewed as a focus for discussion at the meeting (the written comments are appended to these minutes). Items 3 and 4 were prioritised as being the most urgent, especially given that nobody had called the Mission into question, albeit that there had been some suggestions regarding refining the wording.

3. THE WAY AHEAD

Again some very useful ideas had been submitted in advance of the meeting, and these were discussed, along with other ideas contributed by the attendees, including some preparatory thinking carried out by the NBS benchmarking team. The following actions were agreed:

- NBS will facilitate an "exchange process" in Autumn 1995, aimed at establishing new areas of "common interest" and/or revitalising those which have been established already but have made little progress. It was suggested that the exchange process used in November/December 1994 might be refined - it might be possible to move the process of making a commitment to particular C.I.G.s away from a Network meeting, and back into the participating organisations (the logic being that the person(s) attending the "Exchange Meeting" may not be able to commit on behalf of their organisation 'on the spot').
  [ACTION David Yarrow & Alex Appleby]

- The two C.I.G.s which have made significant progress will make presentations about their experiences to other Network members. This may occur at an event linked to the "Exchange Process" described above.
  [ACTION David [redacted] & John [redacted], and/or other members of the two C.I.G.s; arrangements to be made in liaison with NBS]

- The Newsletter will be repeated, as a means of communicating achievements and stimulating interest. **[ACTION David Yarrow]**

- NBS will draft written progress reports about the two active C.I.G.s for dissemination to other interested parties. Drafts will be submitted to DB and JR for comment/approval. **[ACTION David Yarrow initially; David [redacted] and John [redacted] to review drafts]**

- NBS will draft paperwork to gather information about participating organisations' strengths, and processes which they can offer to the Network in "benchmarkee" mode. This exercise will build upon the limited information about successes/achievements already gathered as part of the original data gathering exercise in Autumn 1994, and will seek to attach measures of outcome to the processes listed. It was agreed that the information-gathering must be made as simple as possible, and that the best way to achieve this might be by focusing (at least initially) on a relatively short list of processes, perhaps based upon the "Common Interests" which have already been recorded, plus other "hot" issues thought likely to be appealing currently (a number of these were identified at the meeting - see Appendix).
  [ACTION David Yarrow & Alex Appleby to draft, and pass to Steering Group members for comment]

Other suggestions which were discussed included the possibility of forming a C.I.G. focusing on ***the process of benchmarking***, and the designation as a C.I.G. of a group of Best Practice Club members who have begun meeting to share ideas on the subject of ***E.F.Q.M.-based self-assessment.*** Comments are invited on these ideas.

APPENDIX 1 : WRITTEN COMMENTS SUBMITTED IN ADVANCE OF THE MEETING.

ccess of the Network?

(2) To measure the success of the network it would make sense to measure elements of the mission:

Permanent-	Is it ongoing? Are the numbers participating increasing or decreasing?
Exchange-	Are the members exchanging best practices in proper benchmarking studies? (As opposed to industrial tourism)
Implementation-	Are the companies involved getting as far as implementing and gaining benefits from the benchmarking exercise?

It should be possible to put some measure on the above parameters which will indicate over time whether the network is fulfilling its purpose. (BARRY

(2.) Network success measurement

We can only be as good as the quality of the processes used by member companies, or those imported from outside.
But as we can have no guarantee that the quality can be exchanged effectively, then the only measures in my view are the number of exchanges of information that take place amongst member companies and the number of Common Interest groups set up.
The latter is easy to record, but somehow we should be able to find a way of monitoring the former. (JOHN.

(2) The objective of the network as laid down in the mission statement is 'to lead to superior performance'. It therefore follows that the success of the network must be measured against this - difficult to do I agree - and results are some way off, but this has to be the measure. (DAVID

3. As far as networking goes, the organisation appears to be providing benefits to some companies but not for all. It seems to be working for those companies who fitted in with the common interest groups set up at the turn of the year. For those who did not it has been of no use. (My company included.)

For those to whom it has been little help, in terms of networking, them they were either not ready for benchmarking or, like my company, they have undergone changes where people moved position, priorities have altered and hence the selection of topics for benchmarking has been revisited. This is not the fault of the network nor that of the companies but merely of circumstances.

I believe that all of those companies involved in the network have benefitted from the training received, the meetings attended, and have a better understanding of what benchmarking is all about which helps to prevent expensive mistakes being made in the approach to benchmarking. (BARRY: [redacted])

Network success todate ?

... is a member of an active (albeit slowly) Common interest group - I think we have come a long way in developing our skills. The most difficult aspect is achieving a coordinated momentum within the group; this, to a certain extent, is complimented by the work rate of the internal company groups.
For those who have not been able to set up a Common Interest, they should perhaps review what it is they are trying to achieve from their membership of the Network
ie. a) are they wanting to learn & practice the technique of benchmarking before,
b) gather information on best practices

a) may require some compromising on the choice of topic by the member company, since inevitably the CI groups will only cover the most popular issues

b) can only be used, if they are familiar with Benchmarking techniques. I wonder how many members have received requests to become partners from those who have chosen not to follow a)

I perceive a sense of frustration for those not in a CI, but sense that they are not getting out of b) what they expected. An issue maybe that they are not skilled enough to follow b) before they have learnt through a). (JOHN [redacted])

3) The network has been successful so far (in my opinion) (DAVID [redacted]), in that it is progressing towards a satisfactory outcome.

(4) In order to help the network move forward, I think that the following will contribute:

- The progress of the common interest groups needs to be communicated to all of the network members on a regular basis. This will keep interest alive and encourage companies to become involved if the work of a group becomes relevant to them.

Later this year, perhaps August, it would be worthwhile having another group session where new common interest groups can be formed. As mentioned earlier, organisations change and progress and there may be new common interests between members. It would be of help if every organisation in the network was to put forward at least one activity th.. they perform the best. (BARRY

) Future Network activities

We perhaps have to move more quickly to b) above and dispel the image that the Benchmarking technique is a process that takes months to do using a lot of resource.
At our current level of Process performance within the Network, are we going to really find Best Practice or merely Better Practice ? If the latter, then for the Network to achieve its mission we should not be spending a lot of time researching partners, but merely calling round the network to find partners who are willing to exchange information

(JOHN

(4) To make further progress it may be worthile to have each common interest group prepare a short report on their activity so far and share it with the rest of the network. (This might serve to urge some progress in groups where progress has been slow). (DAVID

) FURTHER PROGRESS OF THE NETWORK REQUIRES IMPROVED METHODS OF IDENTIFYING COMMON INTERESTS TO ENSURE THAT MORE NETWORK MEMBERS BECOME ACTIVELY INVOLVED. FOLLOWING A MORE STRUCTURED APPROACH TO SELECTION OF TOPICS, AS TOM FRIDEWALD ORIGINALLY SUGGESTED, MAY BE TIME CONSUMING BUT COULD PROBABLY LEAD TO A MORE MEANINGFUL SELECTION AND INVOLVEMENT OF MEMBERS.
(STEVE

University of Northumbria — Newcastle Business School

BENCHMARKING NETWORK

MINUTES of the STEERING GROUP MEETING

7th June 1995

Appendix 2

Suggestions of "topical" issues/processes which may be of current interest as a focus for benchmarking.

NB This is a list of ideas generated "on the spot" at the Steering Group Meeting. It is not intended to represent a commitment by any organisation to any particular benchmarking project. Any comments upon, expressions of interest in, or additions to, this list of "likely" topics, will be most welcome (please pass ideas to David Yarrow at the Business School).

Continuous Improvement Training
Make or Buy decisions
suggested by David

Maintenance
Experimental Delivery Service
Quality Control (applied in the Resin Plant)
Marketing
suggested by Barry

Warehousing and distribution
Controlling and coping with item variety
How to use the E.F.Q.M. model (without going for the Award)
Self-directed work groups
Recognition processes
suggested by John

University of Northumbria Newcastle Business School

BENCHMARKING NETWORK

MINUTES of the STEERING GROUP MEETING

Monday 11th December 1995

Attendees:

[redacted]	Health Trust
[redacted]	
[redacted]	
[redacted]	
[redacted]	

Apologies:

1. MINUTES OF THE PREVIOUS MEETING on 7th June 1995

The minutes were reviewed and accepted.

2. REVIEW OF PROGRESS

Exchange Process

The second "exchange" process has commenced via the distribution and return of a *tick-the-boxes* proforma "What do you want to benchmark?" with a newsletter in October. Replies have been received from 9 organisations (Newcastle City Health Trust, Barclaycard, Thorn Business Communications, Tyneside TEC, Leisure Newcastle, North Durham Acute Care, Reyrolle Protection, Reyrolle Bushing and Hydro Polymers), with several areas of overlap suggesting that there is potential for some new common interest groups.

The Steering Group saw the volume of the responses as disappointing, and discussed possible reasons/remedies (perhaps it should not have gone out with a newsletter? maybe people just 'lost' it? maybe some people aren't quite ready yet? ..... suggest more frequent cycling of the request; telephone follow-up).

The agreed action plan is as follows:

1. NBS to contact the companies who have replied, and seek their confirmation regarding commitment etc. This will be achieved via structured questionnaire approach. Issues discussed will include:

   - *are the highlighted processes still relevant?*
   - *are they (their improvement) part of the organisation's current objectives?*
   - *what is the "driver" for your involvement with respect to these processes?*
   - *how important are they to the organisation?do they fit with company strategy?*
   - *(where appropriate), prioritise the highlighted processes.*
   - *are you sure you want to progress?*

2. Contact member organisations who did not reply to the proforma (send the form again, follow up phone call) to encourage more participants. If this increases the response, take the "new" respondents through step 1 above. This "trawl" for new participants should be repeated on a regular basis (suggestions: tear off slip on bottom of the form; circulate likely new CIGs to encourage people to add their names; create some awareness of the responsiveness we're getting from the Network as a whole - perhaps 'expose' those who are not responding).

3. Call a meeting of the potential participants in one of the new common interest groups. Each organisation's representatives should be asked to make a presentation about:

   - *what we want to get out of the project;*
   - *"where we are now" re. the business process in question;*
   - *level of commitment to the benchmarking project;*
   - *timescale; etc etc*

   NBS to talk to them (aided by experienced CIG members) about CIG experience to date, secrets of success, pitfalls. This would include identification of stages/milestones in the life of a CIG - identify a set of measures and milestones, allow for the possibility that some participants will wish to go further than others. CIG will set objectives, agree groundrules etc (informed by NBS research data).

4. Repeat step 3 for other potential CIGs.

5. In parallel with steps 1 to 4, send out a request for member organisations to indicate what they are good at (i.e. topics on which they might be a suitable and willing benchmarkee). This could be done using the form previously designed and circulated, or something like it - supplemented/simplified by information about which CIGs look likely to run and what their objectives will be. (".....if you have anything to offer them, please make it known to NBS or to the CIG's leader.....").

(Comment: It may be that there are 2 different sorts of "Common Interest Group" emerging - one category that will practice "full-blown" benchmarking, another category involving companies coming together to discuss a common interest (a "half-way-house" between a Best Practice Club meeting and a Benchmarking project)).

Appendix 13: CIG Meeting Minutes & Related Materials

DPC/JR

2nd February 1996

Mr D Yarrow
TQM Diploma Course Leader
Newcastle Business School
University of Northumbria
at Newcastle
Newcastle Upon Tyne
Tyne & Wear

Dear David

COMMON INTEREST GROUP - THE EFFECTIVE MANAGEMENT OF CHANGE

As you will have noticed from the minutes compiled and distributed by John Stout, the above common interest group has concluded its efforts, and I set out below some of the key points from the benchmarking process itself which I am sure you will find of interest and use.

* All participants agreed the experience had been worthwhile, and both individually and organisationally "good practice" had been identified which is of benefit to all of the organisations involved.

* Individuals' experiences had re-inforced Tom's conclusions regarding the need for preparedness and organisational commitment to the process in achieving a meaningful return.

* There was unanimous agreement, with the benefit of hindsight and experience, that in future we should agree a challenging time target, maybe 2/3 months, to complete each common interest group, which would not reduce, indeed would increase, its effectiveness.

* Data/information was gained primarily from Senior Manager/Middle Manager level and in future we would broaden the information gathering to all levels in the organisation.

management community, they were deemed to be a leading light in the quality area and were thought to have successfully implemented quality circles, quality systems, and other elements of total quality management. Whilst the perception of excellence probably had a sound basis in fact, it also seemed to be driven by the belief that as a Japanese transplant, they must be good. Certainly, at the outset of the common interest group, they were regarded quite highly by other members of the group. However, by the end of the common interest group, some participants' views had changed significantly, as the quote below from Roberts (Keller) illustrates:

> *What surprised me was that as a Japanese Company they are not as progressive as I thought they would be. Why they hadn't carried out a customer survey surprised me...I thought they would be far more advanced in their management practices. They struck me as a typical English engineering company with a Japanese name. They don't appear to have made the cultural change.*

Roberts's view was shared by other participants (as well as the researcher), who expected them to be far more advanced and professional in their approach than they actually turned out to be.

Interestingly, the participants from Palmer Equipment seemed to share Roberts's assessment of their organisation. They seemed to have few delusions about the extent to which their organisation had actually progressed towards world class. In the view of Rick Powers (see below) Palmer Equipment were not at the top. He believed that Palmer Equipment were behind, though not far behind) their primary competitor. He actually rated Palmer Equipment (his plant, not the entire organisation) about 5 ½ on a scale of 1-10. On the EFQM scale, this researcher would place them between 400-450 that was significantly more advanced than most other participants, including the other 'household name' in the Network, Keller.

In any case, they were probably one of the most advanced organisations, in terms of overall quality management experience, participating in the Network and common interest groups. However, like most other Network members, Palmer Equipment (and the individual participants) had little benchmarking experience prior to joining the Network. As Powers pointed out:

> *We had some interest in improving our own situation. Benchmarking seemed like one way to do it. And since we had no experience of it, the Network seemed a good opportunity to give benchmarking a go.*

What actually motivated Palmer Equipment to join? Powers explains:

> *Largely the fact we felt we weren't doing all we should do, and we looked at what we were capable of doing internally, and didn't really have any ideas on how to go forward. It seemed a good source of additional information. It seems a pretty selfish response but that's the way it is.*

In common with other participants, Palmer Equipment had heard about benchmarking. It sounded to Powers like a good idea, and he reached the conclusion that his organisation should be doing some. At the same time information about the Network and group benchmarking project landed on his desk. The monetary cost was minimal. The commitment of time and effort didn't appear too onerous, so he decided to have a go. Like other participants, he was not altogether certain what to expect.

to know more about benchmarking and how to apply it. The Network was an ideal opportunity. As Roberts pointed out:

> *I see a tool there which stops us from being introverted, and gives us the ways and means to go outside and look at other companies. As the guy responsible for the tools and techniques we use, I see it as a major tool in my portfolio of tools. Therefore, it was another motive than just satisfying my boss.*

Unlike the previous case studies, organisational and individual commitment appeared to intersect at Keller. Roberts's interest in benchmarking was further spurred by a view that Keller needed to become much more externally focused. He explained:

> *This group (i.e. Keller managers) has been very backward in terms of looking 'outside'. They have not really gone outside to look at what other companies doing, other than the typical industrial tourism route, and that's not really very active either...I saw benchmarking as a way of forcing us to go and look at external processes and seeing how other people do them.*

Whilst they may have been introverted and inward looking, they were well known in the Northeast and had a long established manufacturing presence in the area. They were highly regarded by most of the other participants, and were perceived by many of the other members as one of the leading lights in the Best Practice Club and the Network. It was, however, difficult to ascertain whether the Keller reputation was built on the high name recognition of the product they manufactured, or on the perceived excellence of their management of the design and manufacturing processes.

In Roberts's view, Keller were a vastly over-rated as a company, both by those from the outside, and more dangerously, by those within the organisation. He explained:

> *I've come from a company that has been arrogant in its self view. Arrogant to the point of saying that we are far better than any of the other companies in the area. I've suspected for a long time that they weren't. In fact, I have a very strong gut feeling that they weren't... There is a perception (outside) that Keller is a good company, a good employer. We just proved in our employee survey that we are no better than anybody else. In fact we are very average. But there is a perception out there, and of some people in here, that we are far better.*

Roberts, a trained EFQM assessor, rated them between 250 and 300 points on the Model, a view that was confirmed by a consultant-led self assessment exercise. This put them firmly in the same league as other members of their common interest group, and on a par with most Network members. Like other members of the group and Network, they also had no previous business process benchmarking experience, and in common with other members of the CIG, they had no customer survey process. They were, effectively, setting out to use benchmarking to build, from scratch, a best practice customer survey process.

6. Palmer Equipment UK

Palmer Equipment were one of the last organisations to join the Benchmarking Network. They played no role in the initial stages of the group benchmarking process, having been by the researcher just before the exchange meeting. They'd had no previous contact with either the Best Practice Club or the Business School prior to this time. Palmer Equipment participated in the measuring customer satisfaction common interest group.

Within the local business, Palmer Equipment were fairly highly regarded, and could, perhaps, be considered a 'household name' in the Northeast. Within the quality

Powers was one of two key participants from Palmer Equipment. He was the quality manager and had been in the post for the past eight years. His department was responsible for managing the quality system and for quality reporting. It had little active involvement in the quality circles (for which Palmer Equipment were renowned), and was primarily a support and reporting function. His department played an active role in the customer survey process, including visiting customers prior to the introduction of a new model, though they did not actually own the process. The process owners were the customer service manager, and the Palmer Equipment Europe organisation, neither of which knew anything about the benchmarking project. Prior to the project, Powers had little benchmarking experience, other than hosting industrial tourism visits from other local organisations. He was a middle level manager with moderate influence within the organisation. Power was concentrated in the hands of the Japanese managers, and the manufacturing function.

The second key participant from Palmer Equipment was Peter Brown. Brown was a quality engineer who had been with Palmer Equipment for about six years. He had another 5+ years experience prior to joining Palmer Equipment. Brown was educated to a MSc. level. He was a relatively junior engineer, who along with five other engineers, reported to Powers. Like his boss, Brown's knowledge of benchmarking prior to project, was purely of an academic nature. He had no practical experience of using the technique. He did, however, have some first-hand experience of Palmer Equipment's customer survey process. He believed the existing process was neither effective nor efficient, taking far too long to produce relatively meaningless results. As Brown pointed out:

> *The current process seems to take a long time to get actions through the process. The actual information is o.k. The analysis is o.k. but the action taking is poor.*

At the outset, he seemed to have a keen interest in improving the process, as well as learning more about benchmarking. Unfortunately, as the project dragged on, and his boss lost interest, Brown's own interest also began to fade.

B. Virtual Benchmarkers

1. Xerxus Chemicals

Xerxus were involved in each stage of the group benchmarking process prior to the common interest groups. They were active members of the Best Practice Club, and were enthusiastic proponents of the Benchmarking Network, up to the point where some benchmarking was actually required. Jim Lawrence represented Xerxus on the Network. Lawrence had been with the company for 21 years. He had worked in a variety of engineer, technology and production functions both the UK and America. He was a very highly regarded middle manager and reported to one of the site directors. Whilst he had little benchmarking experience prior to the project, he had spent the past six years working on business improvement activities, including several JIT and BPR programmes, and at the time of the research a customer focus programme.

Xerxus was considered by most of the other participants, and the researcher, as one of the leading lights within the Benchmarking Network. Again, this had something to do with name recognition, however; in this case perception and reality were probably pretty closely matched. They had been involved in quality and safety systems for a number of

Doug Clarke.

BENCHMARKING

THE EXPERIENCE OF A COMMON INTEREST GROUP - LESSONS LEARNT

* IDENTIFIED C.I. MUST BE RELEVANT TO BUSINESS OBJECTIVES

* INDIVIDUALLY AND ORGANISATIONALLY THERE NEEDS TO BE A LEVEL OF PREPAREDNESS TO BENCHMARK EFFECTIVELY

* GAIN ORGANISATIONAL COMMITMENT UP FRONT TO RESOURCE IMPLICATIONS OF INVOLVEMENT

* INVOLVE A TEAM AT HOMEBASE; DON'T PURSUE INDIVIDUALLY

* IDENTIFICATION OF "BETTER PRACTICE" IS WORTHWHILE

* COMPARING PERFORMANCE INDICATORS IS NOT BENCHMARKING

* UNDERSTAND THE BENCHMARKING PROCESS - BE CREDIBLE

* DEFINE OBJECTIVES/ RESOURCES/TIMESCALES

Appendix 14: Interview Script

Personal Interview I

NOTE:

Please bear in mind when responding to my questions, I am not looking for the one right or correct answer, I am looking for your answer to the question. A good answer is defined as one which reflects your candid and honest opinion and/or represents your best understanding of the organisation, its past actions and future plans. If their were correct answers to many of the questions I will be posing, it is unlikely the research being undertaken would be of much use. Therefore, tell me what you think, believe, or know, not what you think I might want to hear. In order to encourage this necessary candour and honesty, your remarks will not be attributed and your identity will remain anonoymous.

Key Points To Be Covered During the Interview:

A. Background of Interviewee
B. Background of Organisation
C. Preparation for Benchmarking
D. Deciding What to Benchmark
E. Selecting and Training the Benchmarking Team
F. Process Leading Up to Exchange Meeting
G. Exchange Meeting & Common Interest Group Formation
H. Common Interest Group Process to Date
I. Management or Other General Issues

Thank you for agreeing to participate. Your co-operation will help ensure the quality of the research outputs generated from analysis of the Benchmarking Network. This research will be made available to Network members to help them improve their benchmarking efforts.

PERSONAL INTERVIEW CHECKLIST

To be completed by interviewer prior to interview

Interviewer:

Interviewee:

Organisation:

Date of interview:

Interview start time:

Interview completion time:

Location:

PERSONAL INTERVIEW CHECKLIST

Part I. Background Information- Interviewee:

- ☐ Person interviewed
- ☐ Position of person interviewed & who they report to?
- ☐ Number of years in current position
- ☐ Years with organisation
- ☐ Previous experience (Years/type)
- ☐ Quality management or benchmarking experience

Part II: Background of Organisation (Description & Perceptions):

- ☐ Give a brief account of your organisation's recent history- i.e.; significant events, changes in competitive environment, etc. over the last 3 to 5 years.
- ☐ What sort of improvement strategies has your organisation embraced over that same period? (e.g. T.Q.M., B.P.R., etc.)
- ☐ Describe your organisation's experience with these improvement strategies. What triggered your organisation to embrace each strategy? Would you consider your efforts successful to this point? Briefly, what do view as your organisation's primary strengths and areas for improvement in relation to your current improvement strategy?
- ☐ How would you characterise your organisation's attitude towards quality?
- ☐ How would you define benchmarking?
- ☐ Describe your organisation's experience to date with benchmarking.
- ☐ What do you perceive the relationship between your current improvement strategy and benchmarking to be?

III. Basic Preparation for Benchmarking

- ☐ Does your organisation have a mission statement? If so, what is it? Is this your interpretation or is this the official published & distributed version?
- ☐ What do you believe to be the organisation's critical success factors or major priorities over the next 3 to 5 years. Are these success factors/priorities recorded anywhere? Are they distributed or communicated to the rest of the organisation?
- ☐ Are these priorities or critical success factors translated into measures? If so, what is your organisation measuring?- (Ask for a copy of what's on the info/notice board.)

- ☐ Have the key business processes been identified which would support fulfilment of these critical success factors/priorities? Please describe the process of identifying the key business process, who was involved, etc.

- ☐ Given your response in the previous question, can you provide an estimate of the percentage of these processes which are documented, mapped, measured, benchmarked?

IV. Deciding What to Benchmark

- ☐ How did you decide what to benchmark? (I.E.; How did you come up with a preliminary list of projects for the Exchange Meeting on 8 December?) Describe the process your organisation went through to determine which areas/processes would be benchmarked.

- ☐ (Ask interviewee if they can recall projects they initially proposed)- Was any effort made to prioritise this list? If so, describe the process. At the time the list was prepared, did the organisation wish to pursue each of the items on the list?

- ☐ Who was involved with the processes. At what level of the organisation did the decision-making process take place? How long did the process take. Were the forms provided by the research team of use in deciding what to benchmark? Why or why not?

- ☐ How did the selection process you described for benchmarking differ from the process your organisation uses to identify other improvement projects

- ☐ Describe the relationship between your list of benchmarking projects and the critical success factors/business priorities identified previously. Did you go back after the selection process and compare the list of projects to your c.s.f's?

- ☐ Was a time scale/schedule identified for completion of the project(s) selected? Were cost estimates for the project(s) made? Gnatt charts?, etc.

V. Selecting and Training the Benchmarking Team

- ☐ Have you created, or do you plan to create, a project team as a result of your participation in a common interest group?

- ☐ How did/will your organisation select employees for membership of the team. Please describe the process and selection criteria if appropriate.

- ☐ If you have selected a team, who is on it (name and job title) and how were they selected? Describe their background/level of experience, and training related to benchmarking (actual and planned). How are roles and responsibilities of the team allocated. Please describe the process and guidelines for allocating time and resources for the benchmarking team's activities.

- ☐ Are process owners and stakeholders involved in the benchmarking project(s) or the team? If so describe their role or plans for their role.

- ❒ If a team has been formed, how many times has the team met, and what is their progress to date? Who do they report to, how often, etc. How will the effectiveness of team be measured/evaluated?

- ❒ What is your gut-feel assessment of the capabilities of your organisation's internal benchmarking team? Are these the best and brightest? Are they volunteers or indentured servants?

- ❒ How do you perceive the value of training specifically for benchmarking? Was the training you received from the research team adequate to suit your needs? Explain briefly.

- ❒ Please describe the extent to which your organisation has trained and/or plans to train other employees, beyond members of the project team described above, in benchmarking techniques. This could refer to the extent across the functional areas of the organisation as well as through the various levels of each functional area.

VI. Process Leading Up to Exchange Meeting (Confirm participation and get reaction to events)

- ❒ The following events occurred during the organisation of the Benchmarking Network, please identify which events/activities you participated in, and give your reaction to each.

Event/Activity	*Purpose*	*Date(s)*	*Participants*
❒ ***Initial Meeting***	Meet potential participants, gather feedback on how to design project. Done with phone call or personal visit.	Spring 1994	
❒ ***1st Project Brief***	Laid out project plan, described role of N.B.S., definition of benchmarking etc. Mailed prior to Organisational Meeting	Late Spring 1994	
❒ ***Organisational Meeting***	Introduction to benchmarking, role of N.B.S., project schedule, gather feedback	June 1994	
❒ ***Protocol Meeting***	Agree protocols, and form organisational structure, steering group, etc.	July 1994	
❒ ***Project Selection Forms***	Forms designed to assist organisation's with selection process and gather data to form exchange matrices,etc.	August/ Sept. 1994	
❒ ***Self Assessment Awareness Session***	Introduce E.F.Q.M. Model and Self Assessment Process	Oct. 1994	
❒ ***Project Selection and Achievements Forms***	2nd Attempt to create exchange matrices and get project selections on paper	Nov. 1994	

- ❒ During this set up phase of the project, did any internal or external events occur which had an impact on your ability to identify areas to benchmark or which impacted your benchmarking

plans? If so, what impact did these events have on your ability/interest in participating in the Benchmarking Network.

- ☐ How important was the composition of the membership of the Benchmarking Network to your decision to participate? What were the most important factors which influenced you to stay with (or leave) the process? Have these factors changed over the course of your participation? If so how?

- ☐ What benefits, if any, did you perceive would be gained from remaining with the process?

- ☐ What would you have done differently to get the Benchmarking Network up and running? What impact would these actions have had on the setting up of the Network

VII. Exchange Meeting and Common Interest Group Formation

- ☐ Describe your reaction to the way the research team organised and grouped your potential benchmarking projects prior to the Exchange Meeting. Did it make sense?, Was it useful? Could you improve upon the methodology used? If so, how? What benefits would these improvements provide?

- ☐ What did you see as the purpose of the exchange meeting? Prior to the exchange meeting, how did you expect it to be structured/organised?

- ☐ At the meeting, you were presented with a model of how the common interest group benchmarking process might work. What was your reaction to this model? Did you feel your organisation could derive benefit from a common interest group approach to benchmarking?

- ☐ During the course of the exchange meeting, you were asked to prioritise your initial project selections. What was your reaction to this red, yellow, and green dot process? Was adequate guidance given by the N.B.S. team. Did you feel the process was useful in helping you clarify your benchmarking interests. Could you improve upon the process? If so, how? What benefits would these improvements provide?

- ☐ Near the end of the meeting, the walls of the room contained clusters of common interest groups- about 8 in total. What was your reaction to the clusters/groups in which you found your organisation? What concerns did you have about the common interest groups in which you found yourself? (Other members, topic, commitment, etc?)

- ☐ Reflecting on the exchange meeting and the process of setting up the common interest groups, what other reactions, not expressed previously, did you have about the overall process? What could have been done differently?, Why?, What would have been achieved using this approach?

- ☐ At this point, what did you think the common interest groups would achieve? How did you see the process unfolding?

- ☐ How did your understanding of benchmarking and common interest group benchmarking change as a result of the exchange meeting?

- ☐ If you had a 2nd chance to draw up another list of project selections, would this list differ from the list you prepared for the exchange meeting? In what ways?

- ☐ What were the first actions, related to the exchange meeting, you took upon returning to your organisation.

VIII Common Interest Group Process to Date

- ☐ Confirm which groups the organisation is involved in.

- ☐ Given your response to the earlier question- What do think the common interest group(s) might achieve? To what extent have these expectations been met thus far? How have your expectations changed?

- ☐ Do you feel other members of the group share your expectations. If so, why? If not, would you be willing to find a middle ground so that a common ground could be found?

- ☐ Has anything happened thus far within the common interest group(s) which did not match your initial expectations?

- ☐ Have you identified clear objectives for the common interest group? If not, do you plan to identify objectives? If so, how would/will you measure whether the common interest group(s) is achieving its objectives?

- ☐ How would you characterise the progress to date of the common interest groups you are involved in? What events within the group, or within your own organisation, have had an impact on this progress?

- ☐ How well prepared do you feel your organisation is to benchmark the process on which your common interest group focuses? How well do you believe your organisation currently performs this process?

- ☐ How would you describe the role of N.B.S. in the operation of the common interest group(s) thus far? Has the presence/role of N.B.S. been of any value? Explain. What do you think the future role of N.B.S. should be?

- ☐ How is the internal team linked, or how do you plan to link the internal team, to the common interest group(s) of which you are a participant? How have these team members, or other members of your organisation(please i.d.) been involved with activities resulting from your participation with the common interest groups. (e.g. mapping a process)

- ☐ How much time have you devoted to the common interest group thus far? How much have other members of your group devoted? (Both inside and outside the common interest group meetings.)

- ☐ If your initial common interest group has not met, or is unlikely to meet in future, what are you doing to keep benchmarking alive within your organisation?

- ☐ If your common interest group collapsed after one meeting or never got to that stage, what do you believe were the root causes for this collapse? What would you do differently to ensure this did not occur? What impact would your actions have?

- ☐ If you are not currently involved in a common interest group, would you be interested in joining any of the existing groups? Explain.

- ☐ If you are not currently involved in a common interest group and would be interested in starting/forming one, how would you go about creating this group?

- ☐ Would N.B.S. play a role in this process. If so, describe.

- ☐ Given your experience of the common interest group process, or observation of the process, to date, what benefits do you think participation in a common interest group can provide to your organisation? To the other organisations involved?

- ☐ Do you see any conflicts between this common interest group approach to benchmarking and your organisation's goals for benchmarking?

IX. Management or Other General Issues

- ☐ Are you using a benchmarking process model within your internal teams. If so, describe.

- ☐ What kind of administrative and technological support is being made available (actual and planned) to the internal benchmarking team? Is an internal/external facilitator being used?

- ☐ Are you using, or do you plan to use consultants to facilitate the benchmarking process within your organisation? What role(s) will they play- facilitator, process expert (i.e. database of performance/practices), data gatherer, other?

- ☐ What is your time scale for completing the common interest group benchmarking project(s) with which you are currently involved.

- ☐ Describe other benchmarking projects your organisation is currently undertaking, or planning to undertake, with organisation's who are not members of the Benchmarking Network or Best Practice Club. How do these projects differ/will differ from those undertaken as part of a common interest group?

- ☐ Outside of yourself and the internal team (if formed) what does the rest of the organisation know about:
- ☐ The Benchmarking Network and Best Practice Club?
- ☐ The common interest group in which you are participating?
- ☐ The benchmarking process in general?

- ☐ Have members of the executive team approved your participation in the Network and the common interest group. At what level was approval granted? Do members of the executive team appear interested/concerned with participation? If so what are their primary concerns?

PERSONAL INTERVIEW CHECKLIST

- ☐ Do they perceive the process chosen to benchmark in the common interest group to be one which is in need of improvement and is of importance to the organisation?

- ☐ How are the activities of the Benchmarking Network and the common interest group being communicated to the executive team, and to the rest of the organisation?

- ☐ How do you perceive the level of support for participation in the common interest group and the Benchmarking amongst your executive team?

- ☐ How would you characterise your ability to influence this level of support amongst the executive team and within the rest of the organisation?

- ☐ How would you characterise your organisation's attitude towards change?

- ☐ What other organisational improvement efforts are currently underway in your organisation? (e.g. B.P.R., T.Q.M., E.F.Q.M. Award Application, Self Assessment

- ☐ What is your perception of the organisational resources devoted and the level of committment to these endeveours amongst the executive team?

- ☐ Have these other improvement activities impacted your participation in this Network, the common interest groups, or in other benchmarking activities?

- ☐ Do you participate in other quality improvement forums or best practice club/networks in addition to the N.B.S. group?

- ☐ Have these comittmentss impacted your participation in this Network and the common interest groups?

- ☐ Do you believe your organisation is able to successfully compete against your best competitors anywhere in the world? If not, how long will it take before your organisation will be capable of doing so?

- ☐ How would you define the term "world class"? What does it mean to your organisation?

- ☐ Given your definition of world class, where do you perceive your organisation is in terms of this definition? How long do you think it will take you to achieve world class?

- ☐ What do you perceive are the primary impediments to achieving this level of performance?

PERSONAL INTERVIEW CHECKLIST

Background of Organisation (Confirm)- Facts & Data (If time remains)

Industry sector(s) for principal products
Automotive
Aerospace
Chemical
Electrical
Electronic
Food
Mechanical
Pharmaceutical
Utility
Other

Number of employees at this site:

Areas to which you ship your products (rough percentages)
Domestic
Rest of Western Europe
Eastern Europe
U.S.
Asia Pacific
Other(s)

Nature of the business:
Independent company
Operating unit of large firm
Subsidiary company of larger firm or holding company

Origin of parent company
U.K.
Rest of Europe
U.S.A.
Japan
Other

Do you supply any of the following:
Japanese company
Major retail chain
I.T. industry
U.K. government departments

Appendix 15: Revised Project Selection Process & Survey

Our Ref: DY/HML
1 May 1996

«name»
«title»
«co»
«add1»
«add2»
«add3»
«add4»
«pc»

(0191) 227 4276

Dear «sal»

Benchmarking Network - Steering Group

I am writing to update you regarding the Benchmarking Network, and to seek your approval of some new members in your capacity as a member of the Steering Group.

Benchmarking Activity

I am pleased to be able to report a considerable degree of success in the creation and progress of new benchmarking "common interest groups". You may recall that the last steering group meeting focused on how to encourage more action from Network members, and how to facilitate successful benchmarking activity. We (NBS) have implemented the actions agreed at that time, and the signs are that they have worked well. Six new common interest groups have been created, all are making some progress, and most show signs of achieving results at least as good as the two CIGs which operated during 1995. The groups are focusing on the following business processes (number of member organisations in brackets):

- Ensure employee involvement (5)
- Measure customer satisfaction (4)
- Undertake preventative maintenance (2)
- Manage information systems (3)
- Recognise/reward employee performance (4)
- Manage customer complaints (2)

All group members have been through an induction process which aimed to apply the lessons learned from the previous set of CIGs, and facilitation is being provided by NBS as appropriate.

We have also received a lot of enquiries from other organisation about various benchmarking interests, and are progressing these as quickly as possible.

Steering Group Meeting

I would like to arrange a Steering Group meeting soon, to review progress and discuss how to consolidate and build upon the encouraging recent progress. I have set a provisional date of Thursday 30 May, 3.00 pm to 5.00 pm, in Room NB012 at NBS in Newcastle (please report to NBS Reception on Northumberland Road - Helen Leck will provide maps, arrange car parking etc on request). Please confirm whether this is convenient for you - work on the assumption that this meeting will go ahead as planned unless you hear from us to the contrary.

Thank you in anticipation for your help.

Yours sincerely

David Yarrow
Best Practice Club Manager

Encs

cc: Professor Vas Prabhu
Alex Appleby
Tom Friedewald

dy:hml:f:bmstgp:newappli.sgp

BENCHMARKING NETWORK

NEWCASTLE BUSINESS SCHOOL

NEWSLETTER

October 1995 - No. 2

This newsletter is sent to NBS Benchmarking Network Members and other interested parties.

The NBS **Benchmarking Network** connects a broad range of organisations with a common desire - to learn and improve through benchmarking. The Network makes connections, arranges training, facilitates the process, and imposes a protocol to ensure confidentiality and fair play (two of benchmarking's common stumbling blocks).

Formed in 1994, the Network evolved from the NBS Best Practice Club, and now involves most BPC members. BPC Corporate Membership costs less than £200 p.a., and Network Membership is currently free to BPC members (courtesy of University of Northumbria research funding - the "deal" is that NBS has access to details of the benchmarking process and outcomes, with appropriate guarantees of confidentiality/anonymity in any publications).

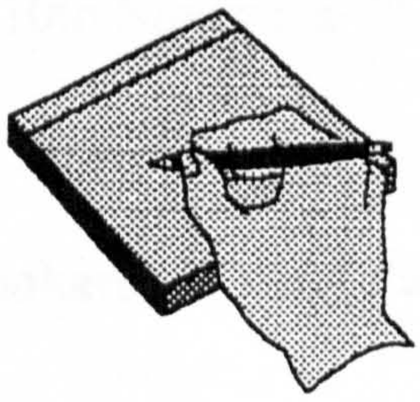
The State of Play

The Network's **Steering Committee** met in June to review 6 months of active benchmarking and plan the Network's development. There is consensus that benefits are being delivered, and (surprise, surprise!) the more you put into benchmarking, the more you get out.....

COMMON INTEREST GROUPS on "The Customer Survey Process" and "Managing Change" have made progress with the real business of benchmarking - identifying best practice within the Network and further afield. Experience suggests that it can be surprisingly easy to obtain co-operation from target organisations, provided that preparation has been thorough; and that the work of a CIG can be invaluable during the preparatory and data collection phases of benchmarking. Naturally the CIG process can and will be refined.

The Steering Group decided that the time is ripe for a second "exchange process", whereby Network Members identify and act upon common interests.

NOW IS YOUR CHANCE: MAKE "BENCHMARKING" DELIVER THE GOODS!



WE NEED YOUR IDEAS NOW.

(see overleaf)

The Way Ahead

Over the next few months, we plan to form and facilitate several new "Common Interest Groups", using the lessons learned to date to optimise the processes of creating the groups and progressing their benchmarking efforts. Each CIG will comprise several member organisations who share an interest in **benchmarking a particular business process**. NBS will identify the common interests and put potential CIG members in touch. There will be no coercion! If you want to take it further, we'll help; if you don't, that's fine.

New members joining the Network will need some orientation to prepare them for full participation in the benchmarking process, and to familiarise them with the opportunities that the Network offers.

Complete and return the enclosed form to identify which, if any, of the potential "Common Interest Groups" listed might be of interest to you / your organisation. Feel free to add to our list - it is by no means exhaustive, it simply offers some likely examples of CIGs.

Replies by Friday 10th November please.

Replies, queries and comments to: Dave Yarrow, Newcastle Business School, Newcastle upon Tyne, NE1 8ST (phone 0191 2274276 fax 2273682)

Network Membership Twenty one organisations are Benchmarking Network members, and a further fifteen are members of the Best Practice Club but have not yet made the extra commitment to "sign up" to the B/M Network. NBS has received a lot of interest from other organisations, some of whom have formally applied to join. Clearly there is potential for conflicts of interest, especially where serious benchmarking is concerned, so the Steering Committee and the BPC members are invited to comment before a new member is confirmed.

Having completed this process, we are pleased to welcome **THORN BUSINESS COMMUNICATIONS** and **LITE-ON** to membership of the Club and the Network.

The following organisations are interested (indeed some have attended meetings as guests, and Tyneside TEC are hosting a meeting for us). Please let David Yarrow have comments on these potential members by 10th November ("……or forever hold your peace!"):

Barclaycard **Benfield Motors** **British Airways** **Contributions Agency**

Electrolux Cookers **Kelly Packaging** **Tyneside TEC** **Union Camp Chemicals**

Now please complete the enclosed form and return it to Dave Yarrow at NBS. We hope to make progress with "new" benchmarking activity quickly, and will work hard to fulfil your needs for appropriate benchmarking partners and a reliable benchmarking process.

Note: The following questionnaire requests some basic information about benchmarking projects you are considering. The questions are designed to help guide you through the preliminary steps of the benchmarking process The information you provide will be fed back to the rest of the Network. this information combined with updates from the active common interest groups should help facilitate the formation of additional common interest groups and benchmarking partnerships, as well as improve the performance of existing ones. Leave blank any questions you cannot answer, bearing in mind that the better the information you provide, the easier it will be to attract benchmarking partners. PLEASE PRINT LEGIBLY IN BLOCK CAPITALS.

1. What is the name of process you would like to benchmark?

2. Please describe this process. Include starting and ending activities, and key steps. If you have mapped the process, please attach the flow chart.(No need for extensive detail- just enough so other Network members have a clear idea of what you might want to benchmark.)

3. How important is the performance of this process to your organisation? (Please circle one.)

   Critical

   Important

   Minor Importance

7. How well is your organisation doing in satisfying the customers of this process? (Please rate your performance for each of the general factors listed in the previous question. Use the following scale- 1= Poor, 2= Average, 3= Good, 4= Excellent, N.A.= Not Applicable)

   - Cost _____
   - Quality _____
   - Delivery/Cycle Time _____
   - Other (Please List):

     _____

     _____

     _____

8. Which of the general process performance measures are you most interested in benchmarking? (Tick as appropriate)

   - Cost _____
   - Quality _____
   - Delivery/Cycle Time _____
   - Other (Please List):

     _____

     _____

     _____

9. What is your time frame for improving the performance of this process? (Please express in weeks or months.)

NEWCASTLE BUSINESS SCHOOL
BENCHMARKING NETWORK

ASSESSMENT OF AN ORGANISATION'S LEVEL OF PREPAREDNESS FOR PARTICIPATING IN A BENCHMARKING COMMON INTEREST GROUP

This document is designed as a framework for recording a structured discussion between NBS representatives and Benchmarking Network members, not as a pro-forma to be completed by the member in isolation.

Name of organisation: _____

NBS interviewer: _____ Date: _____

Company interviewee(s) :

Name: _____ Job title: _____

Name: _____ Job title: _____

Questions

Which potential Common Interest Groups (processes) have you identified as being of interest? (this may have been indicated previously via the "What do you want to benchmark?" form).

List them in the order in which we should discuss them.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

For each of these processes, answer the questions on pages 3 & 4.

BENCHMARKING EXPERTISE & EXPERIENCE

Describe the Organisation's experience of benchmarking:	Comment (including has there been any formal benchmarking training?)
Very experienced ☐	
Quite experienced ☐	
Little experience ☐	
No experience ☐	

What is the organisation's objective in "benchmarking" (i.e. what do you want to get out of it?):

Has the organisation been involved previously in any benchmarking? Yes ☐ No ☐ Don't know ☐

If "yes", please summarise this experience:

Processes/topics	**Partners**	**Results**	**When?**

Is there a named member of the Senior Management team who is responsible for/closely associated with the organisation's benchmarking activities? Yes ☐ No ☐ Don't know ☐

If yes, please name them: Name:_____ Job title:_____

What other signs of tangible commitment (if any) are there at Senior Management level?

If commitment already exists, will it extend to serious allocation of resources to carry out the internal and external work necessary? Yes ☐ No ☐ Don't know ☐

Indicate the nature and extent of resource which will be committed (e.g. secondments/percentages of people's time, budgets etc)

If Senior Management commitment to benchmarking is not yet in evidence, do you see a need for this to change? If so, what could be done to achieve this?

Process: _____ **(complete this section for each process listed on p1)**

Is this process/its improvement part of the organisation's current objectives?	Yes ☐	No ☐	Don't know ☐

comments:

Why do you (as an organisation) want to benchmark this process?

Who is the "process owner"? Name: _____

Job title: _____

What is his/her level of commitment to wanting to benchmark it? (and current involvement in doing so? - as team leader? team member? etc)

Has this process been mapped?	Yes ☐	No ☐	Don't know ☐
Are its outputs measured?	Yes ☐	No ☐	Don't know ☐
Has any work been done on benchmarking it?	Yes ☐	No ☐	Don't know ☐
Is there a team already in existence to benchmark this process?	Yes ☐	No ☐	Don't know ☐

comments:

Now rate this process:

	PRIORITY		
	high	medium	low
IMPORTANCE	☐	☐	☐
URGENCY	☐	☐	☐

READINESS	
ready to benchmark	preparatory work needed
☐	☐

Who (from your own organisation) would you envisage being involved in benchmarking this process? (please name them and their job titles, and indicate whether they are process owner(s), whether they are an existing team etc - and in each case, indicate level of benchmarking expertise & experience).

	Benchmarking expertise/experience		
	High	Medium	Low
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐

(At this point, the interviewer should inform the interviewee about who the potential benchmarking partners are for this process)

What do you know/feel about working with the potential CIG partners?

What are your objectives and time scales for involvement in this CIG?
(i.e. what you should achieve via involvement in the CIG)

Objective	Target date

What are your expectations about how the CIG will work? (eg likelihood of learning within the group vs. beyond the group; involvement within/beyond the Benchmarking Network; nature and frequency of interactions; etc)

Assuming that suitable partners are available, are you likely to proceeding with your involvement in this CIG?

Yes	No	Comments:
☐	☐	

SUMMARY

In summary, please list below those processes which are still of interest to you in terms of benchmarking/common interest groups. For each process, give it a score for "importance", "urgency" and "readiness to start benchmarking", using the following scale:

IMPORTANCE: 1= low, 2=medium, 3=high} then multiply these numbers together to
URGENCY: 1= low, 2=medium, 3=high} calculate a measure of "PRIORITY".

READINESS TO START BENCHMARKING:
1= not yet ready
2= nearly ready
3= ready

These scores should act as a guide in determining priorities and timescales for progressing with the benchmarking initiative.

Process	**Importance** (score 1,2 or 3)		**Urgency** (1,2 or 3)		**"Priority"** (I x U)	**Readiness** (1,2 or 3)
1. _____	☐	x	☐	=	☐	☐
2. _____	☐	x	☐	=	☐	☐
3. _____	☐	x	☐	=	☐	☐
4. _____	☐	x	☐	=	☐	☐
5. _____	☐	x	☐	=	☐	☐
6. _____	☐	x	☐	=	☐	☐
7. _____	☐	x	☐	=	☐	☐
8. _____	☐	x	☐	=	☐	☐
9. _____	☐	x	☐	=	☐	☐
10. _____	☐	x	☐	=	☐	☐

Please return to David Yarrow at Newcastle Business School, Northumberland Building, University of Northumbria, Newcastle upon Tyne NE1 8ST
Fax 0191 2273682 (phone 0191 2274276)

Appendix 16: EUROMA Conference Paper

Conference:
Managing Operations Networks
EUROPEAN OPERATIONS MANAGEMENT ASSOCIATION
VI International Annual Conference
Venice, Italy June 7th - 8th 1999

OPERATIONS NETWORKS AS ENABLERS OF BUSINESS PROCESS BENCHMARKING

A. Appleby, D. J. Yarrow, T. Friedewald, V. B. Prabhu

Newcastle Business School, University of Northumbria at Newcastle, Ellison Place, Newcastle upon Tyne, NE1 8ST, United Kingdom

ABSTRACT

This paper explores business process benchmarking and the extent to which an operations network can act as an enabler of this improvement technique. "Process benchmarking" is the subject of much of the "benchmarking" literature, which describes a number of similar step-by-step models to guide organisations. While, in theory, these models make intuitive sense, in practice something often goes wrong. In 1993, the authors were part of a research team which led the creation of a benchmarking network which has supported experimentation with an approach labelled "Group Benchmarking". This paper draws upon their experiences in setting up and operating the network, intensively studying what happened and seeking to understand why. A participative action research strategy has been employed to study and analyse the benchmarking process and its results. The findings indicate that, while the existence of a network and the facilitation of a group benchmarking process can help to overcome some of the barriers to success, at the same time new and different challenges arise. The research team has derived a number of general lessons from these experiences, which are presented in the paper.

INTRODUCTION

The purpose of this paper is to present findings on the degree of success enjoyed by a group of organisations seeking to deploy "business process benchmarking". Their experiences and challenges are analysed to develop guidelines on how to maximise the likelihood of success, and conclusions are drawn regarding the extent to which an operations network can act as an enabler of process benchmarking.

There is a growing body of literature on "benchmarking", the majority of which focuses on "process benchmarking", (as opposed to the related but rather different techniques known as "metric benchmarking" and "diagnostic benchmarking"). The literature is practitioner-oriented, with little rigorous research into the effectiveness of the approach and it is this perceived gap which this paper targets. The logic of "process benchmarking" is inescapable. If any process(es) is less than perfect, there is likely to be another organisation(s) somewhere doing the same things (or similar) better. Finding them and learning what they do (and how), could bring about improvements.

The authors began work in 1993 to form a "Benchmarking Network" with the aim of facilitating such exchanges. The approach was dubbed "Group Benchmarking", working on the hypothesis that bringing together groups of organisations with common interests would increase the likelihood of success. Predictably, the apparent simplicity of the theory

of benchmarking is an illusion, and the technique is not easy to apply successfully. The literature offers some explanations why it does not always produce results. Additionally, the authors draw upon their experiences in setting up and running the Network and studying the motivations, actions, interactions, successes and failures of the participants.
The paper begins with a brief literature review drawing out potential explanations of the success or otherwise of various approaches. The operation of the Network is described, and the research methodology is explained and critiqued. The paper then presents the main findings of the research and draws out general lessons.

THE "BENCHMARKING" LITERATURE

Benchmarking is described as a means of "finding and implementing best practice" (Camp, 1995). It has roots in the ideas of Taylor and the founders of modern quality management (Watson, 1993), as well as in reverse engineering, competitive analysis and performance measurement (Zairi and Leonard, 1994; Bendell et al, 1993). It differs from other process improvement tools in that it emphasises the need to look outside the organisation for ideas. Benchmarking is based on the premise that organisations can learn from each other provided that a systematic and rigorous approach is taken. The 'mechanics' are summarised in table 1 (based on models proposed by Camp, 1995; Watson, 1993; Spendolini, 1992; A.P.Q.C., 1993; C.C.I., 1993).

1. decide what to benchmark (for example, a key business process).
2. measure to determine your organisation's current level of performance (e.g. cost, cycle time, and quality).
3. research to discover the 'best-in-class' organisation(s) which achieve(s) the benchmark level of performance.
4. compare your organisation's current performance and practice with the benchmark.
5. understand the 'performance gap' and the practices which enable the gap.
6. adapt appropriate practices to your own organisation to achieve or exceed the benchmark level of performance.

Table 1 The mechanics of benchmarking

A number of different types of benchmarking are suggested in the literature. Some focus more on comparison of performance measures, or upon the diagnosis of strengths and priorities for improvement of both performance and practice (effectively a "health check" for the organisation). These activities can be categorised as "metric benchmarking" and "diagnostic benchmarking" (Yarrow et al, 1999; Yarrow and Prabhu,1999), and are quite distinct from "process benchmarking". Within the category of process benchmarking, numerous "types" have been identified (Watson, 1993; Camp, 1989). A full exploration of these various types is beyond the scope of this paper - suffice it to say that the key differences between them are the issues of "with whom?" and "what to benchmark?"
More important than the labels given to benchmarking types is the direction in which it is developing. Experienced benchmarkers are increasingly focusing their attention away from products and services and towards key business processes (Camp, 1995; Watson, 1993; Zairi and Leonard; Boxwell, 1994). Camp's call for a process taxonomy, a standard definition of benchmarking, a common methodology, and the creation of benchmarking networks and common interest groups, may be viewed as a response to the way in which benchmarking is developing. He recognises the need for timely, relevant information, speeding up the process without compromising its rigour.

A growing body of literature has developed. Often written by quality professionals for fellow quality professionals and practising managers, most publications take a practical 'how to do it' approach. The primary texts have been reinforced by numerous published 'case studies' illustrating the application of benchmarking.

Despite this wealth of information there still seems to be confusion about benchmarking, and survey evidence suggests that few organisations actually engage "fully" in business process benchmarking (Coopers and Lybrand, 1994, 1994a; A.P.Q.C., 1993). While the technique may appear intuitive, it is not without difficulties. A number of factors can influence an organisation's efforts to find and implement best practice. For example, the organisation needs to match its 'quality maturity' to the type of benchmarking it attempts (Watson, 1993). Management support and commitment are important and poor training or failure to involve process owners can contribute to a lack of success. Failure to understand your own process or choosing a project with little importance can also limit the benefits (A.P.Q.C., 1993, Watson, 1993; Camp, 1989, 1995; C.C.I., 1993). Benchmarking may fail completely or may be less successful than anticipated (i.e. more cost, more time and less benefit). Related is the concept of 'stickiness' developed by Szulanski (1993, 1993a, 1995), based on insights from the literature on diffusion of innovation, technology transfer and the resource-based view of the firm. Potential sources of stickiness are: the source of the practice (the organisation being benchmarked); the recipient of the practice (the benchmarker); the practice itself; the organisational context in which the transfer occurs.

The review above indicates a gap in the literature in the area of benchmarking networks and common interest groups. While a number of such networks exist, the leading authorities have devoted much of their attention to a single organisation benchmarking "independently". Little material exists which explores the impact of benchmarking groups despite indications of the potential benefits of this approach (Camp, 1995 and Boxwell, 1994). Boxwell proposes 'collaborative' benchmarking which he distinguishes by balanced (two-way) information flow between the benchmarker and benchmarkee. He cites a common interest group study as an example but does not follow up with any analysis of impact or determinants. It is this gap which this research seeks to address.

ESTABLISHMENT & OPERATION OF THE BENCHMARKING NETWORK

The authors' experiences of "benchmarking" date back to 1993, when they led the creation of a Benchmarking Network, building on an existing "Best Practice Club". Inspired by a "process benchmarking" presentation, the members suggested the creation of the Network, and played a major part in designing it. A facilitator was appointed and a code of conduct drafted. A study of the benchmarking literature underpinned training which brought members up to speed with the theory and experiences of organisations which had used benchmarking successfully. Members were asked to pinpoint processes to benchmark, and offered guidance on how to select them, as summarised in table 2. While this approach seemed

- refer to the organisation's strategic plans, to identify priorities and development needs.
- use existing knowledge of strengths and weaknesses to pinpoint performance targets which are not being achieved, and processes with improvement potential.
- hence select the processes which are most in need of improvement.
- then start looking for benchmarking partners willing to share their expertise in relation to these processes.

Table 2 Selection of processes for benchmarking

appealing "in theory", few of the participants followed it fully. The majority were unwilling or unable to do so, and identified their benchmarking topics in a far more ad-hoc manner. Despite the inadequacies of some participants' preparation, organisations were identified with some common ground - generally they contained several who wanted to benchmark the same process and one or two who claimed to have strength in the same area. The focal points of the groups were many and varied. "Measuring customer satisfaction" and "Managing change" were two of the themes. The "common interest groups" met to explore the potential for mutual benefit and decide how to proceed. Eight groups were formed, and some enjoyed modest success, but a number of difficulties arose. The experience gained was invaluable, and a few months later the process of forming groups was repeated. A rather different approach was adopted, and improved guidance offered. The second round was more successful, with two groups in particular achieving very positive results.

The process has been comprehensively studied throughout, encompassing the participants' motives, actions, perceptions and conclusions, and the interaction of these factors with the actions of the facilitators and the infrastructure of the Network.

ACTION RESEARCH - AN APPROPRIATE METHODOLOGY?

The approach adopted for this research reflects a fundamental assumption that research can, and should, try to produce both positive action and traditional research outcomes. This assumption is consistent with the 'action research' paradigm (Lewin, 1946, 1947), which argued that the best way to truly understand something was to try to change it. This research programme had three complementary objectives which are shown in table 3.

1. To initiate the technique of business process benchmarking in a small network of companies in the North East of England.
2. To provide an opportunity for participants, including the research team, to learn experientially about business process benchmarking and best practice transfer.
3. To contribute to the benchmarking and related literature in the areas of inter-organisation benchmarking networks and common interest benchmarking groups.

Table 3 Research objectives

The group benchmarking process was designed to enable a group of organisations with little previous experience to begin business process benchmarking. During the first iteration, it was hoped that inter-organisational co-operation and teamwork would help members learn to benchmark and transfer best practice. Subsequent iterations were meant to create a 'virtuous circle'. That is, as the process was repeated, a common language, shared norms and values, mutual respect and higher levels of trust would develop. In addition to clear business benefits and the safeguards of a neutral third party (the researchers), this could provide further incentives for teamwork and co-operation and reduce stickiness in best practice transfer.

The research began with a review of current theory and practice of benchmarking and networking. Understanding the theory was supplemented by detailed discussions with Network members about their expectations and reasons for participation. As the programme unfolded, the research team also explored literature in: best practice transfer; strategic networks; resource theory; diffusion of innovation; organisational learning; isomorphism; and group behaviour. It was believed that such insights might improve the group benchmarking process as well as providing better understanding of outcomes and

potential determinants. This created a 'dialogue' between the literature and the emerging 'grounded' theory, which was developing through the programme. The outcome of this on-going dialogue helped to shape the future direction of the group benchmarking process.

A number of methods were used to collect data. The primary methods were participant observation and semi-structured interviews with all major participants. Company documentation, meeting notes and short surveys were also used. The researchers drove the group benchmarking process, leading its design, implementation, and refinement. They planned and led orientation meetings, developing the code of conduct and infrastructure, and delivered training to help organisations select appropriate projects and prepare to benchmark. The team helped organisations match common interests and facilitated the benchmarking groups. This close involvement with the group benchmarking process provided access to data about the process, outcomes, and key determinants.

At each key stage, participants were formally asked to reflect and comment upon events, this information was used to shape subsequent cycles. Key participants were interviewed shortly after the first common interest groups began. These semi-structured interviews focused on reactions to the key steps in the process, expectations, company background, preparation for benchmarking, level of commitment to and satisfaction with network participation. After the groups completed their work, a further round of interviews was undertaken. Participants reflected on their achievements and perceptions of factors which impacted the benchmarking process. Triangulation was achieved by comparing responses across group members, direct observation, and by interviewing significant others in participants' organisations. All interviews were tape-recorded, transcribed and reviewed.

A grounded theory approach was chosen to analyse the data, because it was deemed most appropriate both for the style of case study undertaken, the method used and the nature of the primary data collected. As Easterby-Smith et al (1991) indicate, transcript is most usefully analysed using grounded theory techniques. The basic stages used in the data analysis were those suggested by Turner (1983) and Easterby-Smith et al (1991), and included initial familiarisation, reflection, conceptualisation, cataloguing and re-coding, linking, and re-evaluation and review. A preliminary report was presented back to selected participants for review and comments.

Yin (1994) suggests that four tests should be applied to empirical social science research to establish its quality- construct validity, internal validity, external validity and reliability. This research has sought to address these standards in several ways. In terms of construct validity, multiple sources of evidence were used, the group benchmarking process was clearly specified, impact and determinants of impact were developed using established grounded theory techniques and repeated reference to appropriate literature, and preliminary findings were formally and informally reviewed with participants. Internal validity, according to Yin is not relevant to exploratory studies and is not addressed in this context. External validity refers to the generalisability of the study. This is not the strongest suit of action research, in which a conscious decision is made to place emphasis on the contribution to local knowledge and theory, at the possible expense of large-scale generalisability. In essence, the researcher is trying to create a deep level of knowledge within a small group, as opposed to a superficial level in a much wider audience. Nevertheless, whilst this research represents a single case study, over twenty diverse organisations were involved. Whilst no attempt was made to draw a statistically valid sample, there is nothing to suggest that these organisations, or the individuals that represented them, were somehow unique. The process the group went through was devised as part of the research, but it was based on existing and developing practice at the time. Therefore, while unique, it is analogous to other benchmarking and networking initiatives.

Eden and Huxham (1996) argue that "...while there may be some forces acting against getting reliable data through action research, the method is likely to produce insights which cannot be gleaned in any other way". They introduce 12 contentions which "justify an action research project as quality research", acknowledging that "Enacting (these) standards in practice...provides a major challenge". Summarising their key points: it must be clear that the results could inform other contexts, at least in the sense of suggesting areas for consideration; action research demands an explicit concern with theory; theory building will be incremental, moving from the particular to the general in small steps; a high degree of method and orderliness is required in reflecting about, and holding on to, the emerging research content of each episode of involvement. The authors believe that these points reinforce the appropriateness of an action research methodology for studying this benchmarking process, and that the project described here generally satisfies the standards set by Eden and Huxham's contentions.

KEY FINDINGS – PROCESS BENCHMARKING IN PRACTICE

- all participants had benefited from the experience.
- however, for most the benefit was that they had learned a lot about benchmarking, rather than that they had been able to significantly improve processes or performance.
- a few were able to say that such improvements had been achieved.
- all felt better equipped to make future judgements on the usefulness of benchmarking as an improvement tool in a given set of circumstances.
- for a few, the experience had convinced them that they were unlikely to try process benchmarking again - they had realised that it was not a quick fix, and were not convinced that further attempts would be worthwhile for them.

Table 4 Summary of benefits: Participant perceptions

To summarise the results of this Benchmarking "experiment", it is clear that process benchmarking is capable of delivering substantial benefits in the form of improved practices and performance, but that it is neither a panacea nor a simple technique. Following two "rounds" of group benchmarking a review was conducted involving most of those who had participated. The general consensus is summarised in table 4. Detailed analysis of and reflection upon the data gathered has suggested a number of lessons and guidelines, which are summarised below.

1. Think seriously about what to benchmark

Common sense doesn't seem to be common practice. The authors believe that their experiences in forming the groups are typical of many organisations' approaches to benchmarking - the appeal of trying the technique clouds the judgement, and resources are devoted to benchmarking a process which doesn't deserve to be a high priority. If the organisation has sound strategic processes, it should not be hard to identify priorities for improvement. Investment of time in diagnosis at an early stage could pay dividends.

2. Commitment to take benchmarking seriously

The initiator of a benchmarking project may not be senior but they must have senior management backing to invest resources and make changes to processes.

3. Get the right people involved

The authors have seen examples where benchmarking enthusiasts (commonly the "Quality Manager") benchmark processes which "belong" to other colleagues, but then struggle to

implement improvements because they encounter internal resistance. The "process owners" should be directly involved in the benchmarking process.

4. Preparation

Benchmarking does not begin with a visit to another organisation, it begins with a study of your own processes. It is surprising how difficult it is to formally map processes in sufficient detail to really understand how they compare with other organisations'.

5. Training and facilitation

Investment in training is vital. It needs to cover: the stages in the benchmarking process; measurement tools; process mapping; gap analysis; and project management. Facilitation is essential for inexperienced benchmarkers.

6. Best is the enemy of better

A common preconception is that benchmarking must involve finding a "World Class" organisation to study. This argument is flawed. Firstly, finding "World Class" organisations is difficult. Secondly, it is not necessary to find an organisation excellent at everything - one that is good at the specific process would do. Thirdly, finding "better" practice is a good starting point, "best" will take care of itself, in the long run.

7. The benefits are usually mutual

If it is done well, process benchmarking is normally mutually beneficial. The act of thoroughly reviewing your process and comparing it with someone else's will inevitably reveal opportunities to improve, whatever the apparent overall superiority of one party's process over the other.

8. Think outside the box

Benchmarking is not just about gleaning ideas from your competitors. This is not only difficult, it is also very limiting. The chances of finding significantly better practice are far better if you do some lateral thinking and cross sectoral boundaries.

9. Find a compatible partner(s)

Finding compatible partners isn't easy, but it is vitally important. Ideally they should share your understanding of the process and your objectives for the benchmarking project. They must also be willing to devote resources to the task and share your sense of urgency and timescale. Mutual trust is essential.

10. Communication and implementation

In some ways finding better practice is the easy part. Communication of the lessons learned is vital. They must be 'sold' to senior managers and other colleagues to ensure that change receives high priority and is implemented.

CONCLUSIONS AND DISCUSSION

This paper has described some experiences and attempted to draw lessons from them. The key lesson is that "process benchmarking" has great potential to deliver organisational improvement, but also the potential to absorb resources with no guarantee of success. The technique can be effective, contributing to improvements in an organisation's performance. However, there are a number of challenges to overcome if benchmarking is to deliver on its potential. To be successful, benchmarkers must invest time and effort and rigorously apply all of the process steps. However, in the authors' experience, for every benchmarker who fits this description there are several who will end up disappointed. The danger is that they will tend to tell others that "benchmarking doesn't work".

The group benchmarking approach was designed to help practitioners initiate the benchmarking process and to help minimise the probability of failure. The authors believe that the Network has enabled many of the participants to move beyond a long-standing intention to "do something about benchmarking" into a phase of trying to put the theories

into practice. At worst, they have learned a lot about the technique, including its limitations and difficulties and will be better equipped to deploy it effectively and efficiently in future. At best, the organisations have benefited from improved practices and hopefully, enhanced performance - although this latter point is difficult to substantiate. Over time, the group benchmarking process may facilitate the development of strategic benchmarking partnerships which can enhance the transfer of best practice. Thus, group benchmarking may provide a means for benchmarking to meet the challenges identified by Camp (1995), enabling it to grow in status as an important management tool.

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Appendix 17: Profile of Participating Organisations and Participants

APPENDIX SEVENTEEN

Profiles

A. ORGANISATIONS WHICH PARTICIPATED IN A COMMON INTEREST GROUP

1. Western Engineering

Western Engineering participated in both of the active common interest groups- Managing Change and Measuring Customer Satisfaction. They were members of the Best Practice Club prior to participation in the Network and had a fairly long standing relationship with Newcastle Business School. Their participation began at the outset of the project, and they would be considered one of the more active and outwardly supportive members of the Network. As the data presented in previous sections indicates, they played an active role in each stage of the process. Western Engineering's primary representatives on the Network were:

- Bob Smith- Quality Assurance Manager
- Jack Manson- Quality Engineer
- Jim Stevens- Quality Engineer
- Harrison Kennedy- Total Quality Manager

Kennedy, who served on the Network Steering Committee was actually employed by the Western Engineering Group and had no formal position within the Western Engineering Business unit. He played no formal role in either common interest group. He was a passive observer of the common interest groups, but an active participant in the Network. Smith and Manson represented Western Engineering on the Measuring Customer Satisfaction Group. Other members of the Protection Group supplemented their presence from time to time. At the outset of the project, Smith had earmarked one of his direct reports (Annette Jackson) to play an active in the Network. Unfortunately, she resigned from the organisation just prior to the establishment of the common interest groups. Manson took over for her at this point. He had had no prior involvement in the process, nor did he appear enthusiasm for being drafted into the process when he did. Smith and Manson are the primary informants for the Western Engineering A case study.

Stevens represented Western Engineering on the Managing Change common interest group (Western Engineering B). He received little or no support from Manson, Smith, or other members of the Western Engineering organisation with respect to this common interest group. Effectively, he worked alone on the common interest group, reporting in to Smith on an ad hoc basis. Stevens, like Manson, played no role in the initial phases of the group benchmarking process. He was selected by Smith to represent Western Engineering on the Managing Change common interest group after the Exchange Meeting (which he did not attend). His main function within Western Engineering was to deal with customer complaints, an area which he focused on during the second iteration of the process.

None of the Western Engineering participants had previous benchmarking experience, though Kennedy, Smith, Manson, and to a lesser extent, Stevens, had considerable quality management experience both within Western Engineering, and in some cases outside the Western Engineering organisation. With the exception of Kennedy, most of

their experience was in the area of quality assurance and control, rather than total quality management or business process benchmarking. Smith had been with the company since 1968 in a variety of engineering positions. At the time of the Project he was Product Assurance Manager and reported directly to the business unit general manager. Manson had been with the company since 1962 and currently served as a Quality Assurance Section Engineer, reporting to Smith. Stevens was a relative newcomer, having been with Western Engineering for about five years having come over from Plessey where he had also worked as a quality engineer for five years. Kennedy was the most senior member of the Western Engineering participants, reporting into the senior management team of Western Engineering Ltd. He had been with Western Engineering for over 25 years, and had previously been a manufacturing manager within one of the business units. In summary, the Western Engineering managers were all from the quality function. With the exception of Kennedy, they were middle-level (Smith) or junior managers (Manson and Stevens), with a wealth of experience in the industry and in the area of quality assurance. Unfortunately, they had little previous benchmarking experience, and lacked the positional power or authority to wield significant influence within the organisation.

By their own admission (all four participants), the Western Engineering organisation was in the early stages of quality maturity. Using Dale and Smith's (1997) scale of quality maturity, they would most likely fall into the tool pusher and drifter category. In terms of the EFQM Model, the Western Engineering participants believed their organisation fell into the 250-300 point category, nowhere near world class, or anywhere near the road to world class[1]. By most accounts, they were a relatively old-fashioned manufacturing company that were just beginning to come to grips with a rapidly changing competitive environment over which they had very little control. The Company had recently engaged Lucas Systems Consultants to reengineer/redesign business processes. This programme had met with some success with the tender & sales order and product introduction processes being redesigned, and the beginnings of cellular manufacturing being implemented. Business process benchmarking had not featured in the redesign process, and the participants in this study had not been deeply involved in the Lucas Systems programme. When the organisation had done any 'benchmarking in the past, it had been primarily focused on costs and financial measures, and had been targeted at competitors.

2. Verity Manufacturing

Verity Manufacturing, like Western Engineering and NRS, were part of the Rolls Royce Power Systems group. Verity were active in each stage of the group benchmarking process, and participated in the Managing Change common interest group. They were founder members of the Best Practice Club and had been associated with the Business School for a number of years[2]. Paul Dickson, their Manufacturing Manager had played a fairly active role in the Best Practice Club over the years, and had been a key supporter of the funding proposal that established the Benchmarking Network. As the quote below clearly illustrates, Dickson believed that initiatives like the Best Practice Club and the Benchmarking Network had the potential to add significant value to his organisation. He stated:

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[1] This researcher, who has served as an EFQM assessor (x2), a British Quality Award Assessor (x2), and a Midlands Quality Award Assessor (x2) would not argue with their assessment.

[2] David Yarrow had actually begun his career at Parsons as an engineer.

I found it (the Best Practice Club) pumped their tyres up more than anything else. They did pick up bits and pieces from it, but I never honestly believed that somebody can go along to something that is brand new and come back and say- O.K. I am now going to set it up in-house...You have actually got to go away, go on a course, understand it and bring others up to speed. It's not just a case of going along for an hour. You might find out a bit about it, but you are never going to find out enough to actually come back and implement that. You actually need more knowledge. It might stimulate people to say- I want to know more about it. It is a catalyst for change, for stimulation, and a big boost if it is confirming something we are doing. It can be a tremendous motivator.

The quote also illustrates the limitations of the Best Practice Club, and highlights the potential added value of the group benchmarking approach- to go beyond stimulation to actually learning.

In addition to Dickson, the following individuals represented Verity on the Network:

- Dick Baker- Manufacturing Engineering Manager
- Chris Bourne- Junior Manufacturing Engineer
- Steve Lee- Manufacturing Engineer

Baker served on the Network Steering Committee and was the main Verity representative on the Managing Change common interest group. Chris Bourne was involved in the first couple of sessions of this common interest group, but was then transferred to another position, and played no further role in the group benchmarking process. Likewise, Lee was involved up to the common interest group stage, but left the organisation before becoming involved in the group. Dickson played no active role in the managing change group, though he was interviewed by Stevens (Western Engineering- see above) as part of the groups benchmarking activities. Because Bourne and Lee dropped out of the process quite early, and Dickson was only indirectly involved in the Network and CIGs, Baker is regarded as the main informant for this case study, though input from Dickson is also used.

Baker had been with Verity for about 16 years, beginning with the company upon leaving school at age sixteen. In his previous post, he had been the manufacturing change manager and had been quite involved in Verity' relatively successful move towards cellular manufacturing. He would have been considered a middle to junior level manager within the organisation, though his influence was bolstered by an apparently strong relationship with Dickson. Dickson was one of the key managers on site, and had moved to Verity from Rolls Royce Power's Derby base. He obviously had considerable influence within Parson, and had the power to authorise the allocation of time and resources to the group benchmarking project. There is no evidence, however, that he actually authorised Baker to spend much more than a few hours a month on the initiative. Similarly, when Bourne and Lee were no longer available, Dickson did not replace these resources. As noted above, he took only a watching brief and was updated on an ad hoc basis by Baker.

Whilst he had considerable manufacturing improvement experience, Baker had no prior experience with benchmarking. Though Verity had been actively involved in the Best Practice Club prior to the group benchmarking project, Baker had not been one of the active participants. Dickson had drafted him into the project. Dickson had a fairly clear understanding of what benchmarking was all about, though as will be discussed below,

appeared to have some unrealistic expectations in terms of the amount of time and effort required to do it properly. As mentioned above, Verity had been through a significant change management programme that had led to the implementation of cellular manufacturing. Whilst they had made major improvements as a result of this programme, Verity, according to Baker and Dickson, were nowhere near world class levels of practice or performance. Baker described the Verity organisation as follows:

> *Fairly, well towards the bottom in the competitiveness league. (Why?) It's common knowledge that, the perception that this organisation was one of the best in the world, is a false perception. Paul Dickson gave a presentation and asked people in the organisation where they felt how much of the world's market they thought Verity captured. They were putting down answers in the 10s of %s, and the reality is we are in the 1%-2% bracket, and its the Mitsubishis and A.B.B.s. and G.E.s that are up in the tens.*

Like Western Engineering, they commanded only a fraction of the world market in their industry, and like Western Engineering were in the 250-300 point category of the EFQM model. Using Dale's (199_) scale, they were nowhere near quality maturity, and most likely in the tool pusher to drifter category. By most accounts, they were an ageing manufacturing dinosaur that was struggling desperately, and to some extent successfully, to change quickly enough to avoid extinction[3].

3. Council Facilities Management

Council Facilities Management participated in both the managing change and measuring customer satisfaction common interest groups. Like Western Engineering and Verity, Council Facilities Management were founder members of the Business School's Best Practice Club, and played an active role in the Club. Their General Manager, Paul Charles, was particularly enthusiastic about the Club and the Network, and had been one of the key supporters of the funding proposal that launched the group benchmarking project. Like Dickson of Verity, Charles considered the Best Practice Club (and the Network) an ideal means of motivating his managers, supporting their efforts at continuous improvement, and giving them examples of external good practice from which to learn. According to Charles:

> *One of the things is that very often my staff are not aware of what's going on outside of leisure. I think it has been very good and very useful that I am not the only one to attend the meetings that my top team and middle managers can share in these experiences. Not necessarily in order of priority, these things are important because it gives us an awareness of being part of that organisation, it gives us a bit of a fillip in that we are basically one of the leading organisations and are committed to continuous improvement. That's good for my internal staff morale. Another thing is that the type of projects discussed is relevant to my organisation, and in the main are being delivered by practising managers. It's great to hear it from the shop floor or wherever it may come from to hear them talk about the practicalities of implementing best practice. The thNRS thing is this concept of measurement. When you hear other people talking about what they have implemented, it gets you thinking you are not alone, internally. You have an opportunity to look out at what other organisations are doing.*

For Charles, being a member of the Best Practice Club was an indication that his organisation was a leading light in the Northeast in terms of quality management and business excellence. He was clearly proud of the status Best Practice Club membership conveyed, and believed that this provided additional motivation to his managers. One of

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[3] Employment dropped during the course of the project by about 1/3. This was on top of many years of on-going down sizing. Several years after the project, Parsons was sold to Siemens.

the reasons for his enthusiastic support for the Benchmarking Network was his desire to see his organisation perceived as a local leader. As he pointed out during an interview:

> *I feel privileged to be part of a Network that includes the Nissans and Kellers and others that are renowned in whatever direction for being good companies and good quality... I think it's good to rub shoulders with organisations like that, and to be seen, and it sounds awfully twee, to be part of that 'club'. It is a club that has a commitment to continuous improvement, and that is where we want to be.'...'It is important to be seen in the right company; as a company that we are recognised as one of the companies in the Best Practice Club. It does us no harm to be spoken about in the same breath as other recognised quality organisations. And we've been through a lot, and we've got things to say to other people, and I like sharing that information.*

Charles desire to be viewed as a leading local organisation made sense in light of the compulsory competitive tendering process that his organisation had recently undergone and were to revisit in two years time. Three years previous, his management team had won the contract to manage the Council's leisure services for a five year period. Their winning bid was based on quality (of management and service) rather than cost, and included the promise to gain BS 5750 for all thirteen of the Council's leisure facilities. This promise was delivered shortly after the contract was awarded. Participation in the Best Practice Club and later the Benchmarking Network, were clearly consistent with maintaining the organisation's image of quality.

Within the leisure industry, Council Facilities Management was quite highly regarded. They were the first in the industry to get BS 5750, were active in industry associations (particularly Charles), and had hosted numerous visits from other members of the industry, particularly council and ex-council management teams looking to learn how to apply quality management tools and techniques. As Charles pointed out:

> *I think we are a very good organisation. Sometimes I think we are too self critical. I do a lot of talks to the leisure industry. I am talking to them about things which are now second nature, but to them are quite innovative, but to us is part of the business.*

Whilst they were quite highly regarded within their industry, and had made great strides in terms of applying the basics of quality management to the leisure services, there is little indication that Council Facilities Management were even remotely approaching world class on whatever scale you wish to use. In terms of Dale's model they would likely fall into the tool pusher category. In the language of the EFQM model they were likely to be in the 300 to 400 point range[4]. They were neither particularly far ahead or behind most of the organisations with which they worked in common interest groups or the Benchmarking Network.

Unfortunately, over the course of the group benchmarking project, the organisation appeared to be going backwards. Budget cuts at the Council-level had put significant pressure on Council Facilities Management to reduce costs. This meant incremental staff cut backs, as well as the closure of facilities and redundancies. The impact on staff (and management) morale was predictable. One of their principal managers provided the following assessment, which was supported by interviews with his boss, Charles:

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[4] One of the participants described them as a sub 400 point company. This researcher, a fairly experience EFQM assessor would regard that as the outer limit of the scoring range.

I think corporately for the last nine months everything has been static. There is just no interest. Morale and motivation is (sic) so low. Getting people to do something which is perceived to be outside their normal role is difficult. If we've got a culture problem, it is very much the typical local government view, which still persists, though it is changing, you still revert when things get bad. (i.e. to the local government view) 'I'm getting paid to come in here look after this building, that's what I'll do. If the authority want me to do other things, then let them to have people to do that. It's not my role.

Conditions began to worsen about the time the group benchmarking process reached the common interest group stage. The impact of this situation, on Council Facilities Management's participation in the Network and their input to the common interest groups, was predictably negative, and is discussed in greater detail later in the case study and this dissertation.

Like the other common interest group members (and network members) Council Facilities Management's benchmarking experience was minimal. The Network was their first meaningful experience of the benchmarking process. In terms of quality management development and benchmarking experience, they were very similar in nature to Nothern Hospital who is described in one of the subsequent case studies. The homophily between these organisation had actually lead to some tentative benchmarking activities between these organisations outside of the context of this research.[5]

As the data on participation presented above indicates, Council Facilities Management played an active role in all key stages of establishment of the Network and the creation of the common interest groups. They were represented on the Network by:

- Paul Charles- General Manager
- Kurt Boxer- Principal Manager
- Sam Grant- Principal Manager, Finance and Administration

Charles had joined Council Facilities Management prior to the competitive tendering process and had been brought in specifically to ensure that the local Council retained the contract and it did not go out to the private sector. He had been in the leisure industry for 20+ years, mainly in the private sector. He had a strong connection to the Business School, not only through the Best Practice Club, but also academically, having recently completed a post graduate diploma in total quality management. Charles had a watching brief for the two common interest groups, and did not play an active role in either. He did, however, attend some of the events that started up the Network.

Boxer was the manager of the largest facility, the Lightfoot Centre, and was a key member of the management team. He had been with leisure services for approximately seventeen years. He also had a strong connection with the Business School, completing a post graduate diploma in TQM, and at the time of the project was beginning a masters in TQM. Boxer was Council Facilities Management's representative on the measuring customer satisfaction group. Grant had been with the organisation for nearly twelve years, beginning as a recreation assistant and working his

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[5] The senior management team of Leisure Newcastle had spent a day at Newcastle City Health Trust sharing ideas and experiences. The plan, never executed, was to reciprocate the visit.

way up to the position of principal manager and member of the management team. He also had a strong connection to the Business School, having recently completed a DMS. Grant represented the organisation on the managing change group. Unfortunately, he left Council Facilities Management to join a local private sector leisure group about ¾ of the way through the common interest group process. His association with the group and the Network ended at that point

Charles, Boxer, and Grant were all key players in the drive to achieve BS 5750. All were senior managers in the organisation, having the autonomy to get involved in activities like the Benchmarking Network, and to varying degrees, access to resources to support their involvement. All were familiar with the basics of quality management, though none had any significant benchmarking experience. All three were used as the primary informants for this case study, though as noted above, Grant left before the completion of this research. Therefore, he was interviewed only once, whilst Boxer and Charles, who were involved from start to finish, were interviewed on two occasions.

4. Nothern Hospital Services Directorate[6] (A & B)

The Services Directorate of the Nothern Hospital participated in both the managing change and measuring customer satisfaction common interest groups. Like Western Engineering, Verity, Council Facilities Management, and Nothern Hospital had been active members of the Best Practice Club. The Executive Director of the Services Directorate, Mark Pratt, was one of the key supporters of the funding proposal for the group benchmarking project.

The Services Directorate, as a formal organisation was just one year old, and had been created as part of an amalgamation of several directorates on different hospital sites around the City of Newcastle. The Directorate employed approximately 450 people and had an annual budget in excess of £10 million. It was responsible for supporting Newcastle General Hospital's clinical services, through such activities as catering, housekeeping, portering, maintenance, etc. At the time of the project, the Directorate was just completing a major period of change. The amalgamation of 2 ½ sites into a single site had involved a significant downsizing exercise and the rationalisation of many of the support functions. The change programme also involved the application of basic quality tools and systems, including BS 5750 certification, to drive business improvement. Looking to the future, the Directorate was aiming to take a further £3 million out its cost base over the next three years.

Within its specialised field, the Services Directorate was well regarded. To a large extent, this recognition came as a result of gaining BS 5750 certification, which at the time was relatively uncommon in the Health Service.[7] As a result, Nothern Hospital had hosted a number of visitors from other Health Service Directorates across the country that came to look at how they had applied quality management tools and techniques in a health service context. Whilst they were held in high regard by other service

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[6] Only the support services division of City Health Trust participated in this project. The clinical side, i.e. doctors, nurses, etc. did not. The author will use City Health and Health Services Directorate interchangeably, though will always be referring to the support services unless otherwise clearly stated.

[7] Subsequently, ISO spread like wild fire through the National Health Service, just as the Business Excellence Model is spreading today. It would make a good study in isomorphism for DiMaggio and Powell.

directorates, Nothern Hospital were under no delusions about how much farther they had to go. According to Pratt:

> *We are quite a long ways away from being world class. I don't think we will ever achieve that level. We achieve things. We are not very good at going outside and communicating that...I don't think we are anywhere in terms of an international reputation.*

In terms of Dale's model, Nothern Hospital would likely fall into the drifters category. Whilst they had adopted some of the basics, they had only been applying them for a short time. Furthermore, as Dave Campbelle (see below), pointed out they had a tendency to flit from one initiative and programme to the next. According to Campbell:

> *We have always seen quality as the driving force to achieving business results. We still see that, but we need to be more focused. We want to get into benchmarking. We want to get into EFQM. Fine where do they fit into the whole scheme of things? Where do they fit into the Trust business plan? We are getting our minds around that... I think there is a real danger that we could get sucked into that without really focusing our minds and energy on things important in terms of delivering results.'*

Their own self assessment using the EFQM Model indicated that Nothern Hospital were at 250 to 300 point range, in the author's experience, not untypical for a public sector organisation at that time. They had made some key strides in terms of applying the basics, but had a long ways to go in terms of developing a coherent quality strategy which could be used to mobilise its employees to significantly improve critical service processes.

In terms of benchmarking, the Services Directorate had little or no experience with the technique. About halfway through the project, several members of the organisation became involved with the creation of a nation-wide Health Service Benchmarking Database. This initiative, however, was primarily focused on creating a league table of performance measures, and had little to do with discovering and implementing best practices that drive performance. In Campbell's view, the Directorate's (and the Trusts) level of understanding of benchmarking was relatively simplistic. He stated:

> *We haven't got the level of understanding or the depth and broadness of understanding to integrate it into the way we run the business from a Directorate and Trust point of view...We are aware of the concept. As a fledgling organisation we haven't really used the concepts. We are aware we need to get into it. We need to identify the standards, indicators, best-in-class, etc. We have probably used the concepts in an informal way but not in a way that it can be used.*

As a result, Campbell concluded that the initial, enthusiastic support for the benchmarking project shown by some members of the Directorate management team, was probably based more on ignorance than on understanding of the requirements of the benchmarking process. According to Campbell:

> *My guess is it (benchmarking) has no more than a lip service role based on ignorance of the requirement of the process*

As was observed in the previous case studies, the initial ignorance that drove unwarranted enthusiasm caused a host of problems later on in the process when inputs were not sufficient to deliver the desired outputs.

As the participation data presented above indicates, Nothern Hospital played an active role in all key stages of the group benchmarking process[8]. The Directorate were represented on the Network by:

- Mark Pratt- Executive Director of the Services Directorate
- Tony Hardy- Director of Strategy and Policy
- Cindy Parker- Director- Operations
- Dave Campbell- Quality Support Services Manager

Pratt was the senior most member of the Directorate management team, and was a key player in the overall management of the Health Trust. He described his role as supporting the Trust's service strategy and maintaining quality of support services. He seemed to have a passion for quality, particularly BS 5750, and was clearly committed to making quality improvement a key plank in the Directorate's strategy. He appeared to be genuinely enthusiastic about his organisation's participation in the Benchmarking Network. Pratt was involved in several of the initial network activities, but played no active role in the common interest groups. As the process unfolded his role became more distant. As Pratt described it:

> *I don't know enough about it to be perfectly honest. I wouldn't have the time to do as much as I would like to. It is more of a watching brief, and it's more about of direction- Are we going in the right direction...We have a good handle on where we are, but not on where we want to be.*

In practice, the bulk of the work fell onto Campbell, whose was role was to promote and develop quality improvements in the Services Directorate. Campbell had been involved in the quality function for the past five years. Prior to that time, he had been in personnel and operations. Campbell represented Nothern Hospital on both common interest groups, and served as a member of the steering group. Campbell had a close connection to the Business School having completed a post graduate diploma in total quality management[9]. Campbell was well versed in most quality management tools and techniques and had been actively involved in the implementation of BS 5750 at the Directorate. He had also used his quality systems expertise to help a number of other Services Directorates around the country. Whilst he had no previous benchmarking experience, he had a strong theoretical grasp of the technique, and was clearly enthusiastic about participating in the group benchmarking project. Unfortunately, his personal interest and commitment to the project was not always enough without further support from his organisation.

Parker and Hardy were also involved in several stages of the establishment of the Network. Hardy, who was Campbell's nominal line manager, had been a member of the steering group, but was replaced before the first meeting by Campbell. Hardy was supportive of the project during the initial stages. Unfortunately, he suffered a heart attack during the initial stages and, as a result, played no further role in the proceedings. Parker was at the same level in the organisation as Hardy. She attended several of the initial sessions, but played no active role in the common interest groups. Neither Hardy nor Parker was particularly well versed in quality management or benchmarking.

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[8] A few members of the Trust management team (not just the Directorate) actually participated in one of the Network training sessions (EFQM Training Course).

[9] He also had a close relationship with Collins who was on the same programme.

Because of his central role in the all phases of the group benchmarking process, Campbell served as the primary informant for this case study. Pratt and Hardy were also interviewed, and the data gathered from these interviews was also used to inform this case. Parker was not interviewed for this research.

5. Keller

Keller participated in the measuring customer satisfaction group. Unlike the organisations discussed in the preceding case studies, Keller were not long standing members of the Best Practice Club and had had little involvement with the Business School prior to the start of this project. They joined the Best Practice Club shortly before the Network was formed, and were recruited by this researcher at the outset of the research project. Interestingly, they were the only organisation, visited by the researcher during the set-up phase, in which the managing director was directly involved in the preliminary discussions about participating in the Network. As it turned out, this was an early indicator of both how important Keller considered the project, and how committed they would be to achieving a result.

As the participation data presented above indicates, Keller were active players in each stage of the group benchmarking process that lead up to the establishment of the common interest groups. This included the senior management team attending en-masse for the EFQM seminar, and the internal benchmarking team all coming along for the one day training course. The primary representative on the Network and common interest group was Jim Roberts, the Total Quality Manager (later promoted to the European Total Quality Manager). Unlike the other common interest group members, Roberts was supported on a part time basis (approx. 1-2 days per month total) by an internal team of five people. None had prior benchmarking experience.

Roberts was a member of the Quality Council, and a key member of the senior management team. He reported directly to the managing director. Roberts was vastly experienced, having joined Keller in 1963 after graduation from the old Newcastle Polytechnic. He had been in the quality area for the past three years, and had worked closely with consultants from the Juran Institute during the implementation of Keller's total quality management programme. Prior to this he had worked in a variety of manufacturing, logistics, and planning functions across the Keller organisation, both in the UK and abroad. Though his quality management experience was significant, and invaluable to the common interest group and his internal team, he had little benchmarking experience prior to this project. Roberts served as the primary informant for this case study. The other members of Keller benchmarking team had no contact with the common interest group or with the researcher. All contacts were through Roberts.

Two things drove Roberts's interest in benchmarking. The first was pressure from his boss, the managing director, who clearly wanted a result from the exercise and was prepared to provide a fairly significant resource (in comparison to other participants) in order to ensure this outcome. The second was professional interest and pride. Undertaking a customer survey was a key component of his upcoming quality improvement programme. Because, the organisation had never before conducted a customer survey, there was a compelling need to develop a process to do so. As a quality practitioner, Roberts had heard about the potential benefits of benchmarking and believed strongly that it could serve a pivotal role in Keller's quality strategy. He needed

years because of the nature of their industry. They had also taken on JIT and programmes, and most recently customer focus/total quality management, which had resulted in significant manufacturing performance improvement over the past 5 years. In the researcher's view, Xerxus at the time were about a 400-450 point company on the EFQM scale, about the same level as Palmer Equipment. As Lawrence explained:

> *I would describe Xerxus as a second generation company. We've actually become competitive now. The first generation is where we were 5-7 years ago. The thNRS generation is realising our vision, really putting us up in the top of the class, in terms of our processes and our capabilities. I would score us at about 5-6 if 1 is a first generation company.*

Whilst they had applied JIT principles and undertaken BPR exercises, they had not previously used benchmarking as part of their improvement activities. The Network was their first real introduction to a technique they had only heard and read about.

Perhaps one of the biggest issues within Xerxus, which influenced their participation in the Network, was their rapidly expanding order book and the plethora of initiatives and programmes in which they were involved. Lawrence described the situation at Xerxus:

> *We have 70 objectives for 1995. Twenty one are priority items which we need to do to achieve our targets of lead-time, inventory, service, right-first time, etc...I think because we have a hell of a lot to do just to hit our 1995 target, continuous improvement is still not viewed in the right way. It's viewed like a wasp on my shoulder. It's clinging to me and I can not get it off, and if I don't do something it's going to sting me.*

As he points out, they were so busy at the time that even the recently launched customer focus programme was struggling to keep the attention of site managers and directors. As a result, interest in benchmarking at a senior level of the organisation was not overwhelming. As Lawrence explained:

> *Reading between the lines and the body language of the executive team, I sense they view benchmarking as just another initiative that puts us under pressure we don't need. I think they are a wee bit cynical about what it can offer. In a different year, if we could clearly identify something worthy of benchmarking then perhaps we could get good back. The nervousness is about this year. It's like the order book is full and we are just not capable of doing any more, and this has come at a bad time for us.*

Nevertheless, Lawrence was still a keen supporter of the project. He attended all Network sessions, including the Exchange Meeting. He also deputised for his boss on the on the Network Steering Committee. In short, he did whatever he could to keep Xerxus involved in the process and to drum up support within his organisation. Unfortunately, given the situation at Xerxus at the time, he never really succeeded in getting any tangible support for his efforts from other members of the organisation. Lawrence explained his predicament:

> *I personally was quite interested in it, and saw great opportunities, but didn't want to just dive in. We need sponsorship on this site. If you as an individual want something but it doesn't fit in with the grand plan of things, then it doesn't get sponsored and is doomed to failure from the beginning. So, I sought sponsorship, and I got enough sponsorship to take it through to the code of conduct stage, and so on. Then the only sponsorship I've had is to stay with it, which has come from my boss and the managing director of the site. In terms of actually doing anything, really taking benchmarking seriously there are 7 other executives who it just doesn't feature on their list of priorities.*

The lack of support had a fairly predictable effect on Xerxus's inputs to the process and consequently their outputs. This caused a few problems particularly when they reached the exchange meeting with twenty three potential projects, none of which were terribly well thought through or supported. They simply didn't have time to do it right, so they tried to do it quickly, and ended up doing it rather badly. As Lawrence explains:

> *The timing of it was a problem. It came at a time when Customer Focus was consuming all of our day almost, and this was something that had to take a hit. Because we felt quite bad about that, we looked for an alternative to achieve the same result. The alternative way wasn't that great when you look back on things...We put together a list of areas where we could carry out a benchmarking project without disturbing things too much. To commit resources in a big way we typically budget for that and form small teams that are acknowledged to be working on things. Benchmarking had missed the boat in terms of that kind of commitment. So here we were with what amounted to a wish list almost and we picked our top two off that- Employee communication because it fitted and handling customer complaints. What we did was dive in. We were afraid of missing the boat. We tried to follow the process you showed us, ran short of time, decided it was too bureaucratic, which was a cop out. We went to Jeff and got endorsement for the wish list. Put it in the common interest group and went through an almost Socratic approach which sucked me into something which I wasn't committed to. I hadn't even set a foundation on which to attend that meeting.*

Xerxus abandoned the process shortly thereafter.

The Xerxus case clearly illustrates the need for both individual and organisational commitment. Lawrence personally put an awful lot of effort into the process. He did what he had time to do, which was nowhere near enough to actually support a benchmarking project. Though, it was enough to get Xerxus to the stage of selecting a project. In the cases of Western Engineering, Verity, Nothern Hospital, and to a lesser extent Palmer Equipment, participants moved on to the common interest group stage even though they had very little support to actually do it properly. Lawrence, perhaps quite sensibly, decided to cut his losses. He seemed to recognise that given the lack of support within Xerxus, his own contribution to a common interest group would not be adequate, and therefore, the benefits from the group would never be sufficient to warrant participation.

2. Northern Research Services

Like Xerxus, NRS were involved in each stage of the group benchmarking process prior to the common interest groups. They had been actively involved in the Best Practice Club, and were enthusiastic supporters of the Benchmarking Network, again up until the point of actually doing any benchmarking. Christopher, who also served on the Network steering group, represented them on the Network. Christopher was the quality manager and reported directly to the managing director. His primary responsibility was the maintenance of the BS5750/ISO 9000 registered quality system, which he had helped to design and implement. He had also just recently taken on responsibility for health, safety and the environment that was starting to take up a significant proportion of his time. Christopher had been with NRS in a variety of engineering, and latterly, quality roles for about 15 years.

NRS were the smallest organisation involved in the Benchmarking Network, though they were part of the same very large plc, as Western Engineering and Verity. This gave NRS a peculiar feel. They were a relatively small business but had all the bureaucracy

of a major corporation. They had fewer than 100 employees and turnover of approximately £3-£3.5 million. They were primarily an internal supplier of testing services to the main plc. and other business units. Only a small percentage of their sales came from outside the plc. Though they were active members of the Best Practice Club, they had very little experience actually implementing total quality management techniques. Christopher, had no previous benchmarking experience, and the organisation had little or no experience of applying it. Their quality development had reached the systems stage. In terms of the EFQM Model, they were likely to be in the 150-200 point range. Christopher described his organisation as:

Pretty bleak is my perception. We have a long way to go.

He was also able to highlight the key areas for improvement:

- People satisfaction
- Lack of customer awareness
- Poor leadership- no enthusiasm for driving improvement- always something else going on

Christopher's assessment of NRS's recent performance was as follows:

The only thing we have been consistent at is delivering a loss.

It was not a particularly hopeful starting point, though it did provided a strong incentive to improve, the need for which Christopher clearly recognised. NRS were clearly not a role model organisation, and became involved in the project in order to learn and improve. Christopher had fairly simply reasons for wanting to get his organisation involved in the Benchmarking Network. He was interested in combating the predominate view that NRS was unique, and that anything 'not invented here' was not worth inventing. In addition, he was looking to move beyond quality systems and introduce the concept of business process improvement and the use of benchmarking as a key element in the improvement methodology.

At the time of the Benchmarking Network, the organisation had its hands full. It had suffered a major fire that destroyed a significant part of its facility. This occurred at the same time the organisation was planning to relocate its facilities several miles down the road. At the time of the fire, they were housed in a facility capable of accommodating 500 plus people, which as a result of constant downsizing now housed a 1/5 of its capacity. The downsizing had been going on for a number of years, and in the past three years nearly 2/3 of the workforce had been laid off. As part of the relocation, NRS were planning further cutbacks to bring the workforce from 150 people to a 93. They were also re-focusing the business on two primary areas, rather than seven diverse lines of work as they had in the past. With the redundancies and restructuring came significant morale problems. The relocation was also fraught with difficulties. To compound matters, the managing director, who had enthusiastically endorsed the project, moved on to the main Plc., and was replaced by a new MD with a different set of priorities. He brought with him three new directors to complete a senior management team of eight people. It was not exactly an ideal time to launch a major benchmarking initiative. Christopher summed up the difficulties quite nicely:

Where it is all going wrong is getting the commitment and effort into doing this while people are still dealing with the aftermath of the redundancies, or they're still trying to get this new structure organised, or now they can't fit all my equipment into the new building, or the effort is now on getting the utilisation up, or there's this tender. It's the other things, when I've got those done, yes I'll go back to it. It's that which I am failing to break through at the moment, so I am stuck. If we don't get out of that, I don't think we have much of a future to put it bluntly. 'The only thing I can do is to keep niggling, cajoling, etc, trying to get the MD not just sold on it but to get a religious fervour about it.

The MD never got religion, or at least enough of it to push benchmarking to the forefront of the agenda. In any event, the external and internal pressures (and calamities) besetting NRS were always going to make it an uphill struggle to get them through a common interest group benchmarking exercise. Christopher did, however, limp along to the Exchange Meeting and later to a preliminary meeting of a common interest group comprising NRS, Xerxus and Miller Pharmaceuticals. Christopher described these two events:

We plucked a couple out of the air last year (in preparation for the exchange meeting). We picked 'winning business' its certainly critical but it's too big. The mistake we made there was having much too wide a definition of what we wanted- i.e. to benchmark... It was a case of naiveté...Our definition of winning work was perhaps lost on other people at that first session. We made the mistake of doing a lot of rapid thinking on our feet and reframing it twice during the course of that afternoon (i.e. the exchange meeting) to try to get something that had a chance of flying. We locked into that group with Xerxus, had that first meeting and mutually agreed that this just wasn't going to go anywhere at this stage.

By the end of their first meeting, the group agreed that they did not have a strong enough common interest to meet further. As Christopher pointed out, by the time the group got done talking through the potential project, NRS decided that it really wasn't an area that was important enough area within their business to benchmark.

3. Miller Pharmaceuticals

Miller Pharmaceuticals were also involved in each stage of the group benchmarking process prior to the common interest groups. They were fairly active members of the Best Practice Club and were supportive of the Benchmarking Network, though they did not get join a common interest group during the first iteration of the group benchmarking process. Their primary representative on the Network was Bob Waters. Waters was a systems and customer support analyst, which, in practice meant he was frequently called upon by the executive team to get involved in a various projects. For lack of a better description, he was a highly-skilled, odd job man who, in addition to an engineering qualification, and an MBA had 10+ years experience with the Company. Scott Claridge, a total quality facilitator, was also interviewed as part of this research. He was involved, along with Waters, in a number of Network events. Claridge had been with the company for over twenty years. Like Waters, he had significant total quality and business improvement experience and provided the researcher with a valuable source of ideas and feedback about the group benchmarking process. Claridge had no benchmarking experience prior to the project, whilst Waters had been involved in at least one process benchmarking study.

Miller Pharmaceuticals were regarded by other Network members and the researcher as one of the premier organisations in the Benchmarking Network. They had an active total quality programme that began nearly ten years ago when they had engaged David

Hutchins and Associates to launch their quality management programme. As part of this programme, Miller Pharmaceuticals had established an executive quality council, and each of the three business areas has dedicated quality improvement teams that reported into the executive quality council. In recent years, Miller Pharmaceuticals had been involved in several major business process improvement and BPR exercises. They had a strong reputation in local quality practitioner circles and within the business community. In the researcher's view they were probably on par with, or slightly ahead of Xerxus, and would likely have fallen into 450-475 point range on the EFQM scale.

Miller Pharmaceuticals had significant experience using benchmarking, though they didn't actually refer to it as benchmarking. As Waters explained:

> *Our organisation has done benchmarking, but not under the benchmarking banner. For example, our safety performance is quite good. We were looking at how we can improve our record. You could go through the Xerox 10 step (benchmarking) process, and every step we took was in there for the way we approached safety. But, it was not done as a benchmarking exercise, or under the banner of benchmarking. The people looking at the issue said- Right, we've got to improve this. They looked around and said- 'Who's the best at this?' The best in the chemical industry, by far, is DuPont. So, they went on a visit to DuPont. Teams of people went over to DuPont to see how they went about it. We visited other companies that used the DuPont system, including Xerxus. It was properly implemented. Communication came from the top down. Proper performance measures were put into place. If you look at the steps in the benchmarking process, that is almost a perfect benchmarking exercise. Nobody has called it benchmarking. It was done under the banner of safety.*

On the surface, at least, many of the conditions were in place that would enable Miller Pharmaceuticals to benchmark effectively. As Waters explained:

> *We are doing a lot of the things needed for benchmarking. What we haven't done is this step of going out side to look at how other people are doing it. I think the structure and framework are already there. We are already doing a lot of the work that is necessary. Over the next year we will start to feed in some of these projects into benchmarking more and more, or benchmarking will be used as a tool.*

Miller Pharmaceuticals were perhaps one few organisations within the Network that were capable of benchmarking without extensive preparation. They understood their key process. Their people had been trained in, and had applied problem solving disciplines. There was an infrastructure in place to support process improvement. As Claridge pointed out, few organisations who had done as much work on understanding their processes as Miller Pharmaceuticals. The company had experience with benchmarking and similar techniques. Even the executive team were supportive of the process. As Waters described it:

> *When I promoted benchmarking within the organisation, I got the support of the real senior managers, but when you got down to the middle manager level, the guys that are going to have to implement it, I felt that the enthusiasm wasn't there. They have so much other work on, and this was something else on top of all the other initiatives- process improvement, reengineering, etc. The other thing that I felt was some of them felt they might be losing control. Certain managers wanted to do the things that they think should be do, the things that were under their wing. Benchmarking, if you had a team of people involved, you are bring in ideas that are not theirs. The not invented here. I felt at the time that some of the manager's misinterpreted what benchmarking was about. That it would be sort of barging it's way into their control, what was happening in their areas?*

In the Miller Pharmaceuticals case, the thing missing was the enthusiasm of the people that were actually going to have to do the benchmarking. There was no shortage of energy from the guys at the top, just as in the Verity, Council Facilities Management, and Nothern Hospital case. It was the guys in the middle who resisted. As Waters clearly recognised, they were the ones who needed to be involved, not people like himself or Claridge. The middle managers at Miller Pharmaceuticals were the ones who owned or understood the processes to be benchmarked. They viewed benchmarking as a chore, not as an opportunity. Until it was perceived as an opportunity, Waters was always going to be struggling to generate any interest. Likewise, if he took on the project in the absence of any other support or involvement, the impact for Miller Pharmaceuticals would have been limited. Waters explained:

> *I could see little point involving people in large scale benchmarking activities if it was going to detract from other t.q.m. activities. So what I was trying to do was to feed it into process reengineering activities we were putting forward and continuous improvement activities were driving forward. What I was doing was choosing things that had been plucked in particular from the process reengineering activities. When we started to pick on one that seemed particularly interesting, and I started to put effort into it and promote benchmarking, I started to get lots of noises about people being too busy and 'Gosh, how am I going to cope with this sort of thing?*

Like Lawrence and Christopher, Waters took the sensible route and chose not to get involved in a group benchmarking project.

4. Gordon Precision Equipment

Like Palmer Equipment, Gordon Precision Equipment joined the Benchmarking Network rather late in the day. Their first involvement came at the project selection and exchange stages. Gordon Precision Equipment had not been members of the Best Practice prior to joining the Benchmarking Network. Two members of the R&D department, Dr. Dave Jackson and Robert Bonds, represented them on the Network. Jackson, the Strategic Development Manager, had been with Gordon Precision Equipment for about 8 years, Bonds, a quality engineer, for a similar period of time. Jackson was the more senior person, and led Gordon Precision Equipment' benchmarking activities. At the time of the project, Bonds was studying for a post-graduate diploma in total quality management at the Business School, and appeared to have a keen interest in benchmarking. However, neither he nor Jackson had any benchmarking experience, academic or practical, prior to their involvement in the project.

Gordon Precision Equipment had a strong reputation in the local community. About 10 years ago, they had been on the verge of bankruptcy when a management-led buyout initiated a major turnaround programme. Over the years, they embraced the principles of cellular and lean manufacturing that resulted in significant improvements to the cost, quality and cycle time of their key manufacturing processes. Gordon Precision Equipment had also successfully implemented team-working and Kaiser-techniques on the manufacturing floor. At about the time of the project, their improvement efforts were recognised by Management Today magazine and Cranfield University, which had awarded them their annual Best Factory Award. By most accounts, they were a role model organisation, particularly in the area of manufacturing management.

The picture from within the organisation, particularly outside of manufacturing, in areas such as R&D, the picture was not nearly as positive. Jackson' assessment of organisation contrasted sharply with the views of Management Today/Cranfield

University. In his view, Gordon Precision Equipment' successes were mainly confined to the shop floor, and had not spread to support areas. Likewise, while they were getting results, key enablers, which in the longer term drive results, seemed to be missing. According to Jackson:

> *I would say we're actually, in terms of actual performance, are somewhere around 50%. In terms of having the enablers of world class performance in place, I think we are probably around 15%. We are amongst the group which are going to disappear in the next three or four years. We've had a deep and meaningful experience in the manufacturing area, after the MD read the book The Machine That Changed The World.*

Interestingly, his assessment was made after listening to a presentation by one of the authors of the London Business School/Made in Britain report (see above) that tests the link between practice and performance. The report identified a group of organisations, referred to euphemistically as 'Won't Go The Distance', which were getting results but didn't have the long term enablers in place to sustain the results. In Jackson' view, Gordon Precision Equipment fell into this category.

Bonds seemed to share Jackson' assessment of Gordon Precision Equipment, but went even further towards identifying what could be one of its most fundamental problems. He explained:

> *Gordon Precision Equipment has a good front...but when you get underneath that, we have a lot of things to address. Things like process mapping and processes. I think we come across as quite an arrogant company. Some individuals think we are the best. We are the best. That's what the problem is. We are the world leaders, and that's not just saying that. We are the world's leaders but not the world's best. We've got most of the market against the competition. There are only 3 companies in the world that produce what we do. We have well into a 90% business. We recognise we are the world's leaders. It's difficult to change people's mindset that we are not the world's best. We are the best in the industry, not the best in the world. To quote one of the columnists, we are very lucky the Japanese aren't in our market. They would just wipe us out. 'What we need within Gordon Precision Equipment is for someone to really shake the tree.*

In some ways, given their near death experience, it seems a bit unusual that Gordon Precision Equipment would suffer from arrogance. Perhaps, Gordon Precision Equipment management have grown overconfident of their own abilities after the success of the turnaround, and the lack of any credible competition from within their industry at this time. Unfortunately, arrogance, not only at the organisational level, but also at an individual level, is a theme that permeates this case study.

Gordon Precision Equipment had the stated intention to become a world class organisation within five years. Benchmarking was considered by the management team to be an important method of reaching that objective. They had done some benchmarking and industrial tourism with local and national organisations, including with Milliken, considered by many to be an example of a world class organisation. They had also used reverse engineering and cost benchmarking to compare their performance with main competitors. In terms of business process benchmarking, however, their experience was limited. Whilst the senior management team had expressed enthusiasm for benchmarking, there is little evidence they had thought through the implications of this enthusiasm. As Jackson explained:

The way to date that Gordon Precision Equipment have approached benchmarking is that we have a very strong senior management commitment to benchmarking. Although it is a strong commitment, it is not particularly focused. They like the potential improvements it can generate but they are not nearly as clear about what it means. Through my own lack of understanding I suppose I have perpetuated that.

The enthusiasm got Jackson, Bonds (and Gordon Precision Equipment) involved in the project. They submitted a list of potential benchmarking projects for the exchange meeting. At the exchange meeting they identified three potential common interest groups that could be moved forward. During the exchange meeting, Bonds and Jackson made public declarations indicating that they would be moving very rapidly with these three benchmarking projects, and described very tight time scales for completing the work. They also expressed concern that other common interest group members wouldn't be able to keep pace with Gordon Precision Equipment. Their performance at the exchange meeting brought tears (mostly of laughter) to the eyes of other participants who had been involved in the group benchmarking process from its inception, and realised how long the group benchmarking process would actually take. The somewhat more experienced members of the group, as well as the researcher, were quietly sceptical of Gordon Precision Equipment' ability to deliver on its promises.

Shortly after the exchange meeting reality set in, and Jackson began to realise that enthusiasm based on ignorance was no substitute for commitment. He rapidly found that the senior management team's understanding of, and commitment to benchmarking was fairly shallow. As Jackson described it:

They had enough interest to send me away for 5 days of formal training. They had enough interest to have 3 or 4 meetings, which the directors attended, with the view of setting up groups internally. The commitments I made there (at the Network) were based on the commitments made internally. What happened was that the directors would simply not allocate any normal work time for benchmarking. The simply said- 'This must be done externally (i.e. outside of normal working hours).' If they had said it was going to take 8 hours a week, and we will give you 4 hours of normal working time and the other 4 will be your own, the people there would have accepted it. Because they said it all had to be in your own time, it was felt there was no commitment to doing it, and therefore no purpose for doing it.

As a result, the common interest groups in which Gordon Precision Equipment had expressed an interest, never got off the ground. Members of Gordon Precision Equipment through the Benchmarking Network did no benchmarking during the course of this project. There is also little evidence that any was done outside the project. As Jackson explained:

They followed one of my recommendations on benchmarking, but they have done it by default. They haven't actually made a decision not to do it. They have simply not done it. In fact there have been a number of occasions when specific individuals have asked me to assist them in benchmarking projects, and I've said that I would be perfectly happy to help them, if the thing is done correctly. The general perception within the company, and there are exceptions, is that benchmarking involves a jolly of going around someone's factory and writing a report when you come back. And when you actually talk to them about the detail in which they need to understand their own processes, that is a problem.

Jackson' understanding of the benchmarking process, as a result of attending a training course, and perhaps to some extent as a result of his experience with the Network, had clearly improved. Unfortunately his organisation's understanding had not. Without that

commitment, Jackson was understandably reluctant to reluctant to get himself involved in a common interest group despite his prior commitments. According to Jackson

> *At the moment, for all intents and purposes, there is no corporate commitment to benchmarking. I have tried to maintain contact with the benchmarking network. We have not got involved in anything because it is not practical for me to do it myself, and I will get no support internally in terms of resource. That will teach me to go and shoot my mouth off about what I have been told by the directors, I suppose. In fact I have already been significantly more careful about what I have said about the EFQM work. We have a flavour of the month problem. There is a tendency at the very top of the company to adopt solutions because they are the flavour of the month. I must admit that 12 months ago I though we were getting sufficiently far over that problem. I was given to understand that there was a sufficiently firm commitment to the company moving forward on benchmarking, that I was comfortable with the commitments we were making. Fundamentally, two things happened. We had a significant project reallocation in the R & D department. For all intents in purposes, the chairman lost interest in it. If it would have been one or the other, we could have coped with it and still kept it running. With the combination of the two, it just wasn't practical.*

Even if there was corporate commitment to benchmarking, Jackson had serious reservations about the relative strength of the organisations participating in the Network. His view at the time, which changed somewhat as the project progressed, was that there were few organisations from which Gordon Precision Equipment could actually learn. The few organisations that he held in the highest regard- Yellow and Nissan were not active players. Jackson explained his concerns:

> *The individual members are very important. I am not interested in being involved in a group where I perceive that we don't have anything to learn. And that, I suppose is where my biggest reservation is. Those members of the Best Practice Club, which I feel we would have the best chance of learning from are not actually involved in the benchmarking project. For example, Nissan, Yellow Electric...Some of them that jump out at me, I jump out of the way as quickly as possible. It is our perception, right or wrong, is that, with a few notable exceptions, though they are not actually participating in the benchmarking, there is nobody that we believe from our preliminary scan is outstanding across the board. There are people we could learn from in certain very specific areas. The real question then arises, if we are going to go through all the work here professionally and properly, would be better off sharpening those skills locally. Or would we be better off saying- 'Here's a company where we stand to learn in a number of areas. Let's establish an ongoing relationship with this company.' We want to look at a number of processes over a period of 12 months.*

Jackson never seemed to resolve this debate. He neither got involved in the common interest groups as a way of sharpening Gordon Precision Equipment' skills, nor did he develop a 'partnership' relationship with a role model organisation. In this researcher's view, a role model organisation of the type Jackson was hoping for would have 'jumped out of the way' if it saw Jackson and co. coming. His concerns about the quality of other Network members help to illustrate the arrogance of Gordon Precision Equipment, and Jackson, himself. It also demonstrates some of Jackson' continued ignorance of the group benchmarking process. Only one aspect of the common interest group was learning from other group members. Once that 'internal' group benchmarking was complete, the group worked together to benchmark against role model, best practice organisations. Whilst the majority of organisations within the Network may not have taught Gordon Precision Equipment a tremendous amount about new product development, for example. They probably could have taught Jackson and Bonds a fair bit about benchmarking, and could have worked effectively with them as part of a common interest group to benchmark externally. Unfortunately, at the time, the

combination of ignorance and arrogance of Gordon Precision Equipment and it representatives did not allow them to see this opportunity.

5. Yellow Electric

Yellow played a semi-active role in all stages of the group benchmarking process leading up to the exchange meeting. Whilst they submitted a list of potential benchmarking projects, they did not attend the Exchange Meeting and played no part in any of subsequent common interest groups. Jim Plant, the UK Quality Assurance Manager, represented Yellow on the Network. He also served on the Network steering group. Plant was a relatively senior manager at the Northeast site, and had been with the company for about five years. Plant was also a Fellow of the Institute of Quality Assurance, and had a very good understanding of benchmarking and the EFQM Model. Prior to joining Yellow, he had gained extensive experience in manufacturing and quality management in a variety of large organisations, including at one of the Northeast's Japanese transplants. One of the researcher's greatest frustrations was not securing greater input and involvement from Plant and his organisation.

Yellow was one of the most respected members of the Benchmarking Network and the Best Practice Club. Most members of the Network (and this researcher) considered Yellow to be one of the Northeast's leading organisation, and a shining example of the business benefits of applying total quality management and world class manufacturing techniques. Many regarded Yellow as a close rival to Nissan, in terms of being the 'best' organisation in the Northeast. After a wake-up call in the mid 1980s, Yellow had adopted many of Schonberger's world class manufacturing principles and techniques. At the time of the project, Yellow was beginning to move past the basics of cellular manufacturing into self managed units (SMUs), focused factories, team working, and supply chain partnerships. Their success was recognised nationally by Management Today magazine, and Cranfield University through the Factory of the Year Award.

Yellow had been involved in networking, benchmarking and similar activities for a number of years. Their managing director was an enthusiastic supporter of the various local networking initiatives designed to raise the competitiveness of Northeast businesses. Yellow were active members of local initiatives like the Business School's Best Practice Club, the Northern Development Corporation's Improvement Exchange and Manufacturing Challenge, and the Encouraging Excellence EFQM Forum, as well as national programmes such as Inside UK Enterprise. Yellow's approach to benchmarking had evolved over a number of years. Initially, they began with what would probably be best described as industrial tourism. A significant numbers of employees visited organisations they perceived to be best in class. As Plant described it:

> *If you go back to the early days of the change process in the late 80s and early 90s, we found that the best way of benchmarking was to get out and see what other people were doing. Without necessarily getting down to numbers, but to go out and benchmark visibly to see what other people were doing in certain areas. Simple things like housekeeping, labour efficiency, etc. We went out and physically visited almost as many people as we could get invitations to see, and we tried to aim at people who we recognised and others would recognise as market leaders.*

This activity led to the formation of partnerships with a group of 12 to 18 top local and national companies that enabled Yellow unique access to performance measures and best practices. Plant describes a 'typical' partnership:

We are working with a select few, some of those local. We have formed a very close working relationship; I would call it a partnership, with Dewhurst (manufacturers of clothing for M & S). They are in no way in even parallel industries but we have learned a lot from each other about various aspects of each other's businesses. They have adopted cellular manufacturing after coming here. We actually gave them people from here to provide training. On the supplier side they are heavily into supplier partnerships, we aren't really. We haven't really got around to doing it well. Dewhurst have appeared to get real benefits, and we are mirroring what they do.

Yellow also use award processes like the one run by Cranfield and Management Today, to gauge their performance. In addition, they participated extensively in local and regional networks, such as those mentioned above. These activities were supplemented by internal performance measurement and comparison across Yellow's various European facilities

More recently, as news of Yellow's success spread, the flow of benchmarking has become increasingly inward, as would-be benchmarkers have swamped the Yellow site. This saves Yellow resource in terms of time spent travelling to other organisations, but is no guarantee that Yellow will glean anything useful from the visitors. As Plant noted, on balance most information is going out as opposed to going in. Yellow use panel sessions hosted by process owners, if possible, to glean as much information as possible from the visitors. This method of benchmarking has caused some difficulties as Plant explained:

Most companies that come to visit us are extremely non-specific. They just want to have a look around. They go away with a lot of things they see and ideas they heard which might provoke something when they get back to base. We would much prefer it if people came specifically to see certain elements...Rather than just give them the general publicity bit, because the publicity bit, though I have to say it is good, but it's very general. You are trying to please everyone who appears. Most people go away and say 'It's great'. But they didn't come away with very many specifics that they could actually use. We would very much prefer if people were specific about what they want to see. '95% come for the tour. It is very few who actually forearmed, who give us a specific itinerary.

Because the organisations that visit are ill-prepared they don't know what questions to ask, or even whether Yellow is the best company to which to address their question. Likewise, many of visitors have no prior relationship with Yellow. As a result, they tended to get the dog and pony show, bog standard, presentation. Though it may have a nice ring to it, doesn't actually add much value. In addition, it is questionable what value it actually adds to Yellow.

Yellows own approach to benchmarking is an interesting mix of structure and ad hoc. Whilst they seem to take a fairly structured approach to internal problem solving, anything that smacks of bureaucracy or added work for little apparent gain will be reject almost immediately, as was the case here. As Plant has pointed out, anytime they make something into a major project, it seems to run into difficulties. He explained:

Whenever we've tried a project that has required a lot of documentation, they have been abysmal failures. We have a number of different approaches to continuous improvement on this site. One process which we used when we had people defining projects which were involved with a project definition and project deliverables and the financing and everything up front that project in which we put a great deal of money into the training of the people and the

reporting structure, has been an abysmal failure because everyone found it far too bureaucratic.

Their interactions with external organisations appear on the surface to be a bit ad hoc, when compared with the case studies presented in benchmarking texts. They seem to have chosen to use a semi-structured industrial tourism approach to benchmarking. Plant explained the rationale of Yellow's approach to benchmarking:

I think we haven't really seen the need yet or maybe we haven't identified what additional benefits we would get from a more formal approach. However, I've seen presentations form people like Rank Xerox, etc. who have provided more formal training and I can see what they get from it. I think you get a recognisable structure to the approaches they use and when you identify best practice you really should be identify the recognised best practice, and not just your perception of best practice...I think we are comfortable with our approach. I say that because one of the difficult things with Yellow Electric, because of the type of organisation where an awful lot of things are happening, there is the risk that if you burden the system with too much bureaucracy people don't want to do it. They like doing things. We are very much a do it now culture. We would rather go with 60% of what we know and have a go and learn, providing you are not committing cardinal sins in the doing process, but we'd rather get out there and learn from our mistakes, and even if you don't get all of the facts the first time around you refine it the next time you do it. I think we are very comfortable with it. It fits in with our business approach.

Yellow's approach fits their culture and seems to work reasonably well for them. The industrial tourism approach seems to work because the people out on the tours tend to be the process owners, who actually know their process backwards and forwards. They don't need to set up a project to gain an understanding of their current approach. Because the organisation has so many visitors, it has a ready pool of potential contacts to benchmark against. Therefore, it is not necessary to do extensive research to find a better practice partner. The partner may not be the best, but given the cost of finding best practice, satisficing with better practice may actually be the 'best' choice. By being prepared and understanding their own processes, and having a strong Network of potential good practice partners, Yellow can gain many of the benefits of benchmarking without incurring many of the costs. Furthermore, by being recognised nationally as a role model organisation, in many cases the information comes to them, and they make sure they capture.

ORGANISATIONAL STRUCTURES

Key elements from the pro formas and surveys are also being summarised into a basic exchange matrix which will begin to capture each organisation's perceived strengths and the areas in which they would like to improve and/or learn from other Network members. The directory and exchange matrix will help Network members begin to identify common interests and facilitate the formation of special interest groups and benchmarking partnerships.

A first edition of the directory and matrix should be ready for the first Network membership meeting (depending upon prompt action by both the research team and Network members). As the project progresses, the directory will be updated and revised to include such items as detailed self assessment information, the results of benchmarking projects, the processes used, and performance measures and best practices identified. Eventually, the directory could take the form of a computerised database that could further enhance information exchange amongst Network members. Ultimately, the development of this information exchange tool will be guided by Network members through input to the steering group.

Two overriding principles guide the composition and subsequent use of the directory. First, any Network member may decline to share any information it deems sensitive, proprietary, or otherwise inappropriate. This in no way impairs participation in the Network. Second, no member may share directory information (about other members) with anyone outside the Network, no matter what the purpose without the permission of other network members.

CONTACT PERSON/RESEARCH LIAISON

Each organisation will provide a primary benchmarking contact person(s) through which all benchmarking requests from Network members will flow. This will help ensure contacts are made in a professional manner and to agreed protocols. How that contact person handles benchmarking requests is up to each organisation. It is the responsibility of the contact person to ensure benchmarking teams from his/her organisation approach other Network members appropriately. It is also the responsibility of the contact person to instruct benchmarking teams from his/her organisation in the code of conduct endorsed by Network members, and to stress the importance of confidentiality and professionalism.

Each organisation will also designate a link to the research team. This research link or liaison, who may also be the contact person, will ensure the research team is informed of the Network related benchmarking activities of each participating organisation. This research liaison/contact person will also enable each organisation to more accurately assess the benefits and costs of their benchmarking efforts and Network related activities.

NEWCASTLE BUSINESS SCHOOL
BENCHMARKING NETWORK

OLD

INFORMATION PACKAGE

&

MEMBERSHIP APPLICATION

BENCHMARKING NETWORK

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

1. What is the Benchmarking Network and what is its mission?

The Newcastle Business School's Benchmarking Network is a permanent regional network of quality-driven organisations and has been created for the purposes of exchange, dissemination, and implementation of best practice. It gives your organisation a unique opportunity to learn from other leading organisations in the region.

2. What experience does Newcastle Business School have in the field of quality improvement and the exchange of best practice?

The Benchmarking Network was developed at the request of members of the School's Best Practice Club. Established in 1990, the Best Practice Club has operated successfully as a forum for the exchange of ideas amongst senior managers in North East quality and improvement-driven organisations. The Network answers their expressed desire for a more active and systematic exchange of best practice. The Business School itself has a long record of providing useful training courses and consultancy services, and has recently received an "excellent" rating in the H.E.F.C.E. teaching quality assessment. Members of the Business School's project team have strong industry, consulting, and research experience.

3. How does it work?

Each participating organisation supplies basic information about its operations. Each organisation also provides performance measures for processes and sub-process critical to their own success. If they choose, organisations also indicate how they assess themselves against a recognised quality model such as the E.F.Q.M.s'. Organisations also indicate which areas they are interested in benchmarking, and indicate which areas are of no interest or are off limits. The purpose of collecting this performance information is not to create a league table, but rather it is to help members identify common interests and possible best practices. Formal Network exchange meetings organised by the Business School also facilitate this process.

Standard forms have been created by the Business School's project team to capture this information. Training sessions have been devised to help organisations with the information gathering and analysis process. This information is compiled into a Network Directory and Exchange Matrix and is distributed to all members. The Business School takes responsibility for creating and updating these information sources. As the Network progresses, a database of best practice will develop, as well

ORGANISATIONAL STRUCTURES

periodic updates on the status of the project and would solicit input on how to improve the operation of the Network and members' benchmarking efforts. This input would then be fed back to Network members. Members of the advisory panel would also be invited to attend and participate in steering group and Network membership meetings, but would not have a decision-making role.

The steering group, based on input from Network members, will take a decision on the formation and composition of this panel at their first meeting.

NETWORK MEMBERSHIP MEETINGS

Meetings open to approximately four members of each participating organisation will be held on a regular basis. Initially, these meetings should facilitate the co-operative processes and assist organisations to identify common interests and benchmarking partners within the Network. As the process unfolds, they will provide an opportunity to exchange benchmarking and self assessment best practice, as well as, the results of benchmarking improvement projects. In addition, Network membership meetings will provide a formal opportunity for communication between the steering group and members, and for the Business School team to communicate any research findings.

These meetings will be chaired by a member of the steering group and will initially be held every 2 months (during working hours) beginning in late Sept./early Oct. As the Network develops, the frequency of formal meetings will be determined by the steering group. Network members are each asked to take a turn hosting a Network membership meeting and summarising/disseminating the results of these meetings. The Business School will kick off the schedule with a meeting focusing on feedback from the self assessment seminars and the first steering group meeting.

The Business School will announce the meetings, provide an agenda, and record and disseminate the minutes to all Network members.

These meetings will complement the activities of the Best Practice Club, of which each Network participant is a member. The Best Practice Club will continue to serve as a forum for the exchange and dissemination of general best practice, giving members a chance to further opportunities to learn from the experiences and best practices of others.

NETWORK MEMBERSHIP DIRECTORY

A directory containing basic information about each participating organisation is being created and will be distributed to all Network members. Each organisation will provide information, via pro-formas and questionnaires created by the Business School, which has taken initial responsibility for creating and updating the directory.

Appendix 7: Recruitment Brochures & Application Packet

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

courses are offered at the beginning of the process and will be repeated on a limited basis as required and resources permit.

The first training session introduces the E.F.Q.M. Model for Total Quality Management and the process of self assessment against its nine component parts. This is accomplished through a brief introduction to the model and through a series of syndicate and larger group sessions which analyse preliminary assessments which participants have prepared prior to the session. The second session assists organisations in the process of selecting benchmarking projects. The basic premise underlying this course is that benchmarking projects should be linked to the organisation's critical success factors, i.e.; What the organisation must do well, if it is to succeed. This linkage begins with an examination of the organisation's mission and cascades down through the critical success factors and the key organisational processes and sub-processes that support the fulfilment of them. This analysis should begin to generate a laundry list of potential benchmarking projects. The session then discusses some basic methods of prioritising this list and selecting do-able projects and ties the process to self assessment. The final training session gives organisations the opportunity to train a benchmarking team in some basic benchmarking techniques.

Each session lasts between a half and a full day and will be hosted by the Business School at its Longhirst campus just outside Morpeth. Generally, four alternative dates are available, and between four and six individuals from each organisation are invited to attend. The numbers and dates will be flexible to ensure maximum participation.

7. This all sounds well and good, but how much is it going to cost my organisation.

Obviously, there is some cost involved, and it is probably best to consider it in three parts. The first part is the up front cost. To participate in the Network, you must join the Business School's Best Practice Club. This will cost your organisation £175 + V.A.T. per annum. Besides being included in the Network Directory and Exchange Matrix and being invited to the training sessions and exchange meetings, you and other individuals from your organisation are invited to attend Best Practice Club meetings, at which attendance is limited only by the space available at the host organisation's site, and every effort is made to accommodate those wishing to attend.

The second cost results from the fact that during the first 18-24 months of the Network's existence, the Business School will be closely studying its activities and the activities of and its participants. This means a lot of information about your benchmarking and improvement activities will be collected. We will want to know

ANSWERS TO SOME COMMON QUESTIONS ABOUT THE BENCHMARKING NETWORK

8. What are the benefits?

There are several important benefits to becoming involved in the benchmarking Network. First, by creating a formal Network of blue chip, quality-driven organisations, participants will have easier access to potential benchmarking partners. This should reduce the resources required to undertake a benchmarking project(s). Second, the Network, by encouraging true benchmarking partnerships, should allow participants to get behind performance measures and provide access to and understanding of the practices, procedures, and systems that enable superior performance. Third, basic training in self assessment and benchmarking techniques will be provided by the Business School in exchange for the opportunity to closely study the activities of participating organisations. This will reduce initial resource commitments. Fourth, benchmarking contacts will be carried out in an organised and systematic manner according to agreed upon protocols. Concerns of being overwhelmed with requests for information or confidentiality being betrayed should be reduced. Finally, because of the research aspect of the project, and the fact the results will be published, the opportunity exists for Network members to learn from an analysis of initial successes and failures. It also gives a chance to enhance your reputation as a progressive, quality-focused, organisation. In the process, the reputation of the North East and the Newcastle Business School as a centre for the promotion of world class business performance should also be enhanced.

9. I am sold on the Network. How do I get involved?

The application procedure involves four simple steps. Part One requires you to provide some basic details about your organisation. This overview should be limited to no more than 2-3 A4 Sheets. Specific areas to address are clearly identified in the application pack. If you become part of the Network, this information will be included in the membership directory. Part Two asks for some basic performance measures such as; customer satisfaction, quality & productivity, cycle time and employee satisfaction. Provide figures for only those you measure and feel comfortable sharing. Part Three asks you to go through a list of basic operating and supporting processes and identify (with a tick mark) 1) whether you measure performance of the process, 2) whether the process is documented, and 3) whether the process is benchmarked and, if so, against which targets. The fourth and final part of the application procedure asks you to answer a few questions about your current benchmarking and self assessment activities.

E.F.Q.M SELF ASSESSMENT SEMINAR

The first training session introduces the E.F.Q.M. Model for Total Quality Management and the process of self assessment against its nine component parts. This is accomplished in a four hour session, one-half of which is an introduction to the model and the scoring process. During the second part of the session, syndicate and larger group sessions analyse preliminary self assessments which participants have prepared prior to the session.

The success of the E.F.Q.M. Seminar depends upon the preparation of a pre-workshop assignment. This assignment gives Seminar participants an opportunity to apply the self assessment process using the E.F.Q.M. Model to several parts of their own organisation. The assignments will provide Seminar participants with a series of case studies that enhance understanding of the model and scoring process, and demonstrate how output from self assessment can be used to drive continuous improvement.

Before the Seminar each participating organisation will provide a detailed description of their activities in four sub-criterion areas of the Enablers section of the E.F.Q.M. Model. This description will identify specific policies, processes, procedures and the like that are used to manage activities related to the sub-criterion. The organisation will also identify the extent of planned and actual deployment, frequency of review, and improvements of these policies, processes, and procedures.

During the Seminar, a selection of these pre-workshop assignments will be evaluated by small syndicates. Strengths and areas for improvement of both the approach and deployment of the approach will be identified. The organisation's efforts in this area will then be scored using a group consensus process.

The sub-criteria selected for analysis are as follows:

- **Leadership- Sub Criterion 1a-** *Visible involvement (of executive team and all other managers) in leading Total Quality Management.*
- **Policy and Strategy- Sub Criterion 2a-** *How policy and strategy are based on the concept of Total Quality.*
- **People Management- Sub Criterion 3d-** *How the involvement of everyone in continuous improvement is promoted and people are empowered to take appropriate action.*
- **Processes- Sub Criterion 5a-** *How processes critical to the success of the business are identified.*

A series of worksheets to capture details of the organisation's efforts in each of these areas is included in the pre-workshop materials. A separate three page worksheet is provided for each of the above sub criterion The worksheets contain a description of the relevant criteria and sub criterion, as well as, guidelines on areas to address in your preliminary analysis. They also contain step by step instructions. Besides completing each of the worksheets, written briefing and background information related to each sub criterion is also provided.

BENCHMARKING TEAM TRAINING SEMINAR

The final training session gives organisations the opportunity to introduce an improvement team to a basic benchmarking process model and to some of the skills necessary to undertake a successful benchmarking project. The Seminar should be useful for building understanding and support for the benchmarking process within each organisation's project team. Organisations may also use the Seminar for training of their internal training staff. The internal staff could then be used to cascade the skills to the project team and other members of the organisation.

The Seminar will begin with an introduction to benchmarking and will include a discussion of its history and current application, the different types of benchmarking, the benefits of benchmarking, how it can be tied to the organisation's critical success factors, the ethics and protocols of the process, and how it relates to other total quality management tools. The Seminar will then outline a basic benchmarking process model and review each part of its Plan, Do, Check, Action, (Deming) cycle.

Next, the Seminar will address in detail each step in this basic benchmarking cycle. Skills required at each step will be discussed. This will begin with the process of planning and identifying the customers of the benchmarking study. Next, process mapping techniques will be introduced and process measurements identified. Basic problem solving techniques will also be reviewed.

The session will then focus on the search for superior performance, the analysis of this performance, and the adaptation and implementation of superior practices. Planning the search and uncovering superior performance through secondary research will be addressed. Planning for and conducting a site visit, as well as ethical guidelines to observe will be reviewed. Data analysis and identification of current and future performance gaps will then be introduced. The Seminar will then focus on the adaptation and implementation of best practices. Finally, the Seminar will suggest ways of integrating the benchmarking process into the organisation's continuous improvement process and how its effectiveness as a quality improvement tool can be monitored.

It is hoped this Seminar will help organisations get projects off the ground more rapidly and avoid some of the more common pitfalls organisations face when undertaking benchmarking activities.

The session is tentatively planned to last one full day. It is also expected a pre-workshop assignment will again form the basis for case studies that will illustrate the basic themes of the Seminar.